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Principals, Agents and Neighbours: The European Neighbourhood Policy Through a Principal-Agent Lens

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Abstract

The thesis tests the efficacy of Principal-Agent (PA) theory in explaining the creation and development of the European Neighbourhood Policy (ENP). As such, the thesis is subject as well as theory-driven. Empirically, the focal point is how the interaction between the EU member states and the European Commission affected the development of the ENP. It is a theme which is largely overlooked in the ENP literature. In terms of theory, the ENP represents a fascinating case study for PA analysis not only because it has rarely been applied to the field of EU foreign policy but also because PA has seldom been used for studying the evolution of a policy (both pre and post-delegation).

Conceptualising EU member states as principals and the European Commission as agent, the thesis examines PA dynamics through the following three ENP policy stages: formulation (2002-2004), finalisation (2004-2006), and implementation (2007-2009). Three hypotheses are tested for each stage of the ENP. Two hypotheses are rooted in PA scholarship, and address the influence of the agent as an informal agenda-setter, while the third distinguishes the agent's influence between different stages of the policy development.

Methodologically, the research design is based on within-case process-tracing while the empirical data is drawn from a triangulation of official documents, secondary sources and elite interviews. The thesis findings show that during the initial stages of the policy, the Commission took advantage of its favourable position (e.g. informational asymmetries and uncertainty among the member states) to establish itself as the key actor in the ENP. As the ENP evolved, the Commission's influence has diminished while the member states, collectively and individually, became more engaged in determining the course of the policy. However, contrary to PA assumptions, member states' increased oversight over the Commission did not come as a response to disobedient behaviour. Based on the empirical data, the

Commission, as an agent, was in fact trying to implement the ENP following the guidelines which were previously agreed by its principals. Thus, in the case of the ENP, my PA analysis shifts from the traditional inquiry of how principals control opportunistic agents, to examining how principals could hinder the work of the agent. This phenomenon, broadly defined by Thompson (2007) as the ‘principal problem’, is an anomaly in existing PA literature dominated by an agency-biased standpoint and has previously not been analysed in the context of the European Union. Finally, the wider implication of this thesis is that there is still room for broadening the scope of PA analysis while highlighting the necessity to keep a watchful eye on both the principals and the agent.

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Declaration

I hereby declare that, except where otherwise indicated, this thesis is entirely my own work, and that no part of it has been submitted for any other degree or qualification.

Mor Sobol 22.09.2014

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List of Abbreviations and Acronyms

AAs – Association Agreements

BSS – Black Sea Synergy

CEECs – Central Eastern European Countries

CFSP – Common Foreign and Security Policy

COEST - Eastern Europe and Central Asia Working Group (Council)

COREPER – Committee of Permanent Representatives

CSs – Common Strategies

DFTAs – Deep and Comprehensive Free Trade Agreements

DG – Directorate General (European Commission)

EaP – Eastern Partnership

EC – European Community

EEA – European Economic Area

EEC – European Economic Community

EES – European Employment Strategy

EMP – Euro Mediterranean Partnership

ENP – European Neighbourhood Policy

EP – European Parliament

ESS – European Security Strategy

EU – European Union

GAERC – General Affairs and External Relations Council

HI – Historical Institutionalism

HR – High Representative of the Common Foreign and Security Policy

IGC – Intergovernmental Conference

IR – International Relations

JHA – Justice and Home Affairs

LI – Liberal Intergovernmentalism

MAMA - Maghreb/Mashrek Working Group (Council)

NEC – Neighbourhood Economic Community

NIS - Newly Independent States

OMC – Open Method of Coordination

PA – Principal Agent

PCAs – Partnership and Cooperation Agreements

RCI – Rational Choice Institutionalism

RMP - Renovated Mediterranean Policy

SAP - Stabilisation and Association Process

SI – Sociological Institutionalism

TEU – Treaty of the European Union

UfM – Union for the Mediterranean

UK – United Kingdom

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Chapter 1: The European Neighbourhood Policy

“The Commission is not simply the servant of the member states but can sometimes squeeze more prerogatives despite its limited competence” (Corbett et al. 2012:53)

“The ENP represents an attempt by the Commission to muscle its way into EU foreign policy” (Balfour 2007:16)

The European Neighbourhood Policy is one of the most aspiring foreign policy endeavours the European Union (EU) has ever launched. Its geographical scope includes 16 partner countries from Eastern Europe, Southern Caucasus, North Africa and the Middle East, and it has a budget of almost €12 billion.¹ It covers almost every field of cooperation between the EU and a third country – political dialogue, justice and home affairs, Common Foreign and Security Policy (CFSP), internal market, environment, transport, research and innovation, just to name a few. The policy’s ambitious vision “involves a ring of countries, sharing the EU's fundamental values and objectives, drawn into an increasingly close relationship, going beyond co-operation to involve a significant measure of economic and political integration” (COM 373 final, 2004:5). Although the importance of the EU’s immediate periphery was already acknowledged in the Council of the European Union’s (hereafter the Council) report of 1998 (Council Report 13943,1998), i.e. six years before the ENP was introduced (see 1.2), the neighbourhood received its official recognition in the Lisbon Treaty where it is stated that “the Union shall develop a special relationship with neighbouring countries, aiming to establish an area of prosperity and good neighbourliness, founded on the values of the Union and characterised by close and peaceful relations based on cooperation” (TEU Art. 8).

¹ For the budgetary period 2007-2013.

The combination of different kinds of regions and countries under one policy framework, the cross-pillar nature and comprehensive scope of the policy, its importance in establishing the EU's role in the international arena and the neighbourhood, its rapid development and the fact that it is still a policy 'in progress'; are all reasons why the ENP has attracted the attention of scholars and has become a budding field of research.

Against this background, vast numbers of studies were conducted throughout the ENP development and actually already during its formulation stage (e.g. Wallace 2003; Lynch 2003; Petczynska-Natecz 2003; Emerson 2003). Yet, while scholars continue to engage with analysis on the ENP as the policy evolves; there are important empirical questions that were left unexplored: How was the European Commission (hereafter the Commission) able to situate itself as the main (and almost the sole) designer of the ENP during the initial stages of the policy? Did the Commission manage to retain its key position once the policy was launched? To what extent did the Commission and the EU member states cooperate during the development of the ENP? How strong were the voices calling the initiative into question? And how could we explain the development (concerning the scope as well as institutional structure) of the ENP following its launch? One overarching motif that is missing in the existing literature is the analysis of the relationship between the member states and the European Commission and its effect on the development of the ENP.

What is more, Delcour and Tulmets posit that "although a large body of literature has already been developed about this policy, few authors have combined the empirical findings of the ENP processes and results with concepts and theories to explain those findings" (2007:4). Thus, the ENP and its development give the researcher the prospect of testing and developing theoretical hypotheses. In the same vein, Kratochvíl and Tulmets maintain that "there are many theoretical puzzles related to

the policy” (2010:9). On the one hand, treating the ENP as an external relations policy, one could examine the variation in levels of Europeanisation between the different ENP partners. On the other, looking at the ENP as an internal policy, it might be fruitful to focus on EU’s internal balance (Ibid: Ibid). Alternatively, Kelly posits that “the ENP is a fascinating case study in organizational management theory” (2006:48).

Hence, this study is not only subject, but also theory-oriented as on the one hand, I argue that the key to solve these puzzles may lie in the insights generated by looking at the interaction between the European Commission and the member states. On the other, I maintain that Principal-Agent (PA), as a mid-range theory with an institutional orientation and strong emphasis on relations between actors, provides the investigator with the necessary tools and workable theoretical hypotheses that allow us to examine the interaction between EU member states, on the intergovernmental level, and the European Commission, on the supranational level, under the framework of the ENP.

Overall, the EU has already established relations with the ENP partners prior to the launch of the policy in May 2004. Thus, at this point I find it worthwhile to provide a brief overview on those relations since the ENP did not create any institutional-legal links between the EU and its periphery and is instead based on existing institutional frameworks.

1.1 The EU and its neighbours pre-ENP

If we examine the historical development of the institutional ties between the EU and the ENP partners, we see that there is quite a difference between the Eastern and Southern neighbourhoods.

Beginning with the South, it seems that the EU enjoys a long-standing relationship with its Southern neighbours. In fact, the European Economic Community (EEC) had already established institutional relations with its Mediterranean neighbours in the 1950s. During this time-period, a series of bilateral trade and association agreements were signed between the Community and the Mediterranean countries while the depth of the agreements was decided according to the political and economic importance of the neighbour. As such, “the end result resembled an associative patchwork rather than a coherent framework” (Gomez 1998:135, see also Nervi 2011).

A new effort to develop such a framework was made in 1972 when the EEC established the Global Mediterranean Policy (GMP) and new bilateral trade agreements were signed with Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Tunisia and Syria (Hollis 1997). The novel aspect of the GMP was that for the first time the Mediterranean was identified as a region of interest to the European Community (Gomez 1998; Bicchi 2007). Moreover, The GMP broadened, to some extent, the issues covered by previous trade agreements to include policy areas such as social affairs, financial and technical aid (Gomez 1998; Baracani 2005). Still, it could be noted that "from the mid-1970s to the beginning of the 1990s, the objective was simply to forge bilateral trade agreements between the European Community and neighbouring states around the Mediterranean" (Hollis 1997:23).

A further development in the EU-Mediterranean relations took place at the beginning of the 1990s in the form of the Renovated Mediterranean Policy (RMP). Similar to the GMP, the RMP extended the aspects related to development and financial assistance. However, the Mediterranean region was also identified as a security

threat² (COM SEC (90) 812 final, 1990; Gomez 1998; Amoroso 2006). Moreover, under the RMP framework, the European Parliament (EP) was able to block aid in case of human rights violations (Baracani 2005). The progress in relations became even more advanced when (a) the New Mediterranean Policy was introduced and strengthened previous agreements (mostly economic reforms), and (b) the Euro-Maghreb Partnership was established and added aspects such as political dialogue with partners on democratisation, human rights and security (Hollis 1997; Baracani 2005).

The Euro-Mediterranean Partnership (EMP), also known as the Barcelona Process, is considered to be the main point of reference when discussing EU-Mediterranean relations pre-ENP since it represents the “first real attempt for the EU to engage in a region as collective actor” (Nervi 2011:61). The EMP was launched at the Barcelona Conference in November 1995 with the aim of protecting European interests, because the enormous economic gap between the Community and the Mediterranean neighbours, high employment rate, organised crime, and terrorism were all viewed as sources for instability that could spill-over to Europe (Hollis 1997; Spencer 2001; Nervi 2011).

The EMP’s geographical scope covers the (then) 15 EU member states and the following Mediterranean partners: Albania, Algeria, Egypt, Israel, Jordan, Lebanon, Mauritania, Morocco, the Palestinian Authority, Syria, Tunisia and Turkey.³ The EMP concentrates on three key themes or chapters: (a) political and security partnership (e.g. political dialogue, human right and democracy); (b) economic and

² Given the economic and social disparities between the two shores of the Mediterranean, the threat was that instability in the Mediterranean region would spill-over towards the European Community.

³ Before their accession to the EU, Malta and Cyprus were also included in the EMP.

financial partnership (e.g. trade, environment and energy⁴); and (c) partnership in social, cultural and human affairs (e.g. intercultural dialogue and good governance) (Barcelona Declaration 1995).⁵

The Policy covers both bilateral and multilateral relations. The multilateral track is the innovative part of the Partnership as for the first time government officials from Mediterranean countries could sit together around one table and discuss regional matters. The multilateral dimension of the EMP operates on various levels. First, on the highest level, there is the Euro-Mediterranean Summit of Head of States and Governments. The Summit meets once every five years and is responsible for defining the EMP's priorities (through a five-year work-plan). Second, the Euro-Mediterranean Conference of Foreign Ministers (chaired by EU Presidency) meets regularly with the aim of defining actions and monitoring the implementation of the policy. Third, the Euro-Mediterranean Committee (also chaired by the Presidency) meets six times a year and is responsible for monitoring the policy, preparing the ministerial meetings, and also acts as a steering instrument. It is composed of senior Officials from the EU Troika⁶, and representatives of partner countries (European Commission Euromed Information Notes 2005; Philippart 2003; Attina & Rossi 2004; Emerson & Noutcheva 2005; Süel 2008).⁷

⁴ Within this theme, a key objective was the establishment of a Euro-Med free trade area by 2010.

⁵ A fourth theme was added in 2005, namely migration, social integration, justice and security.

⁶ EU Troika consists of officials from the country currently holding the rotating EU presidency, the country that holds the presidency in the next six months, and the European Commission and the High representative for Common Foreign and Security Policy.

⁷ In addition, there are the sectoral meetings of Ministers, the Euro-Mediterranean Parliamentary Assembly and sub-committees, for a good review on the EMP's multilateral institutions, see Süel (2008).

Referring to bilateral relations, the objective was the signing of new Association Agreements (AAs) between the EU and the EMP partners thus replacing the existing AAs signed in the 1970s. The AAs vary in scope and content but they all share the following criteria: (a) they are based on Art. 310 TEC (now 217 TFEU)⁸; (b) the AAs establish both political and economic cooperation; (c) the AAs provide privilege relationship between partners and the EU; and (d) they include a human rights/conditionality clause in case of violation of human rights.⁹ Also, the AAs are mixed agreements, i.e. the Community and the EU member states share competences (and are both signatories) while the AAs' ratification process does not only require a unanimous vote in the Council but the agreements also have to be ratified by each member state.

The AAs establish two common institutions which are responsible for the implementation of the agreement. First, there is the Association Council on ministerial level. The Association Council meets at least once a year, responsible for taking decisions and recommendations, and composed of member states and partner countries' Foreign Ministers, the Commission's President, the HR, and the Commissioner for External Relations-ENP. Second, the Association Committee meets more frequently on a senior Officials level, responsible for the management aspects of the agreement, and composed of representatives from the Commission, the member states and EMP partners (Philippart 2003; Pardo & Zemer 2005; Baracani 2008).¹⁰ In addition, the institutions established within the framework of the AAs have the power to take binding decisions (Cremona & Hillion 2006; Leino & Petrov

⁸ Art. 310 TEC provides the legal basis for the establishment of an association between the European Community and a third country. This kind of association represents a close cooperation between the EC and the third country and includes "reciprocal rights and obligations, common action and special procedure" (Art. 310 TEC).

⁹ <http://eeas.europa.eu/association/>

¹⁰ For more on Euro-Med Association Agreements see: http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/mediterranean_partner_countries/r14104_en.htm

2009). Finally, in the context of funding, the MEDA programme was the financial instrument for the implementation of the EMP's objectives and projects. It was launched in July 1996 (MEDA I) and was amended in 2000 (MEDA II). The MEDA programme provided technical and financial assistance to EMP partners and similar to the structure of the EMP, it also revolves around the EMP's three chapters (political, economic and social) as well as the two tracks (bilateral/multilateral). Also, the Commission, which was responsible for the management of the programme, was monitored by the Comitology's management procedure.¹¹ Finally, since its launch and until it was replaced by the ENP financial instrument (on January 1st 2007), the Community provided €16 billion to support the initiative.¹²

In comparison to the Southern neighbourhood, the institutional relations between the EU and the ENP partners from Eastern Europe and Southern Caucasus could be seen as a rather recent development, or in the words of Lippert: "The EU policy of partnership and cooperation with its Eastern European neighbours is much younger in terms of its legal, institutional and procedural arrangements, and up to now it has been less ambitious and intense" (2007:4). Essentially, the EU began forming institutional ties with its Eastern neighbours during the 1990s following the fall of the Berlin Wall, the collapse of the Soviet Union and the emergence of the Newly Independent States (NIS). Consequently, the EU signed bilateral Partnership and Cooperation Agreements (PCAs) with the ENP Eastern partners¹³ that entered into force at the end of 1990s and replaced the EU's trade agreement with the Soviet Union (Nervi 2011).

¹¹ The management procedure applies when the Commission implementing measures with budgetary implications. Essentially, the management committee may block a Commission's measure by qualified majority and refer it to the Council (see more in Pollack 1997; Ballmann et al. 2002).

¹² http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/mediterranean_partner_countries/r15006_en.htm ; <http://www.enpi-info.eu/medportal/content/340/About%20the%20EuroMed%20Partnership>

¹³ PCAs were also signed with Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Russia.

The PCAs are based on Art. 300 TEC¹⁴ (Marchetti 2006) and are limited in time (ten years with an automatic renewal); additionally, in comparison to the AAs, they consist of somewhat less cumbersome ratification procedures as the Council could decide to conclude such an agreement after a qualified majority vote (Petrov 2011). The common objectives of the PCAs are to (a) establish a political dialogue between the EU and partners; (b) support the partners in their attempt to strengthen democracy and economic aspects; (c) help the partners to establish themselves as market economies; and (d) promote trade and investment.¹⁵

Similar to the AAs, the PCAs also establish common institutions for bilateral cooperation to govern the agreements. These include a PCA Council that meets annually at ministerial level and supervise the implementation of the PCAs, a PCA Committee at senior Officials level, sub-committees for sectoral issues and a PCA Parliamentary Committee (Ibid; Pełczyńska-Nałęcz 2011). However, it is noteworthy that in comparison to the bodies established within the framework of the AAs, the institutional powers of the PCAs bodies are limited as they cannot issue binding decisions (Leino & Petrov 2009; Van Vooren 2009b). Referring to financial aspects, the Technical Assistance for the Commonwealth of Independent States (TACIS) programme was launched in 1991.¹⁶ The objective of the programme was to foster the transition of the Eastern neighbours (and Central Asia) to market economies while reinforcing democracy and the rule of law.¹⁷ The Commission, similar to its role in the South, was responsible for the management of the TACIS programme and

¹⁴ Art. 300 TEU provides the legal basis for the establishment of international agreements between the European Community and third countries.

¹⁵ http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17002_en.htm

¹⁶ TACIS supports the following countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

¹⁷ http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17003_en.htm

was monitored by a management committee. Since its launch and until it was replaced by the ENP financial instrument (on January 1st 2007), the Community provided €7 billion to support its Eastern neighbourhood.¹⁸

Finally, the following table provides an overview concerning the institutional ties between the EU and its Southern and Eastern neighbours prior to the establishment of the European Neighbourhood Policy.

Figure I: ENP partners' institutional ties prior to the ENP

Region	Country	Agreement	Entry into force
Eastern Neighbourhood	Armenia	PCA	01.07.1999
	Azerbaijan	PCA	01.07.1999
	Belarus	-	-
	Georgia	PCA	01.07.1999
	Moldova	PCA	01.07.1998
	Ukraine	PCA	01.03.1998
	Algeria	-	-
	Egypt	-	-

¹⁸ <http://www.enpi-info.eu/eastportal/content//364/About%20the%20EuroEast> ; http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17003_en.htm

Southern Neighbourhood	Israel	AA	01.06.2000
	Jordan	AA	01.05.2002
	Lebanon	-	-
	Libya	-	-
	Morocco	AA	01.03.2000
	Palestine	-	-
	Syria	-	-
	Tunisia	AA	01.03.1998

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1.2 The ENP – a (very) short introduction

The ENP is the subject of an in-depth investigation in the empirical chapters of the thesis (see chapters four to six). However, before I provide an overview on the ENP literature and turn to engage with the theoretical (chapter two) and analytical (chapter three) frameworks of this study, I find it necessary to give the reader some background information about the ENP.

As previously noted, the significance of the neighbourhood to the EU was first recognised in December 1998 in the Council's report on the new emerging foreign policy instrument – the Common Strategies (CSs). In brief, the Amsterdam Treaty

¹⁹http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/mediterranean_partner_countries/r14104_en.htm;
http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17002_en.htm

provided the European Council with "the right to define, by consensus, common strategies in areas where the Member States have important interests in common".²⁰ As for the Council, it is responsible for the implementation of the CSs (by qualified majority) as well as for recommending the European Council new areas of interest (Ibid).

Consequently, in its report to the European Council, the Council identified the Mediterranean region, Ukraine, Russia and the Western Balkans as regions of importance and stated that the CSs "should focus on the neighbouring regions of the EU. Not least in the context of enlargement and the development of the 'acquis', it is there that the EU has the greatest long-term common interests and the greatest need for coherence and effectiveness" (Council Report 13943,1998). Thereafter, in June 1999 the Cologne European Council (1999:27) gave its conclusions on EU Common Strategies and affirmed

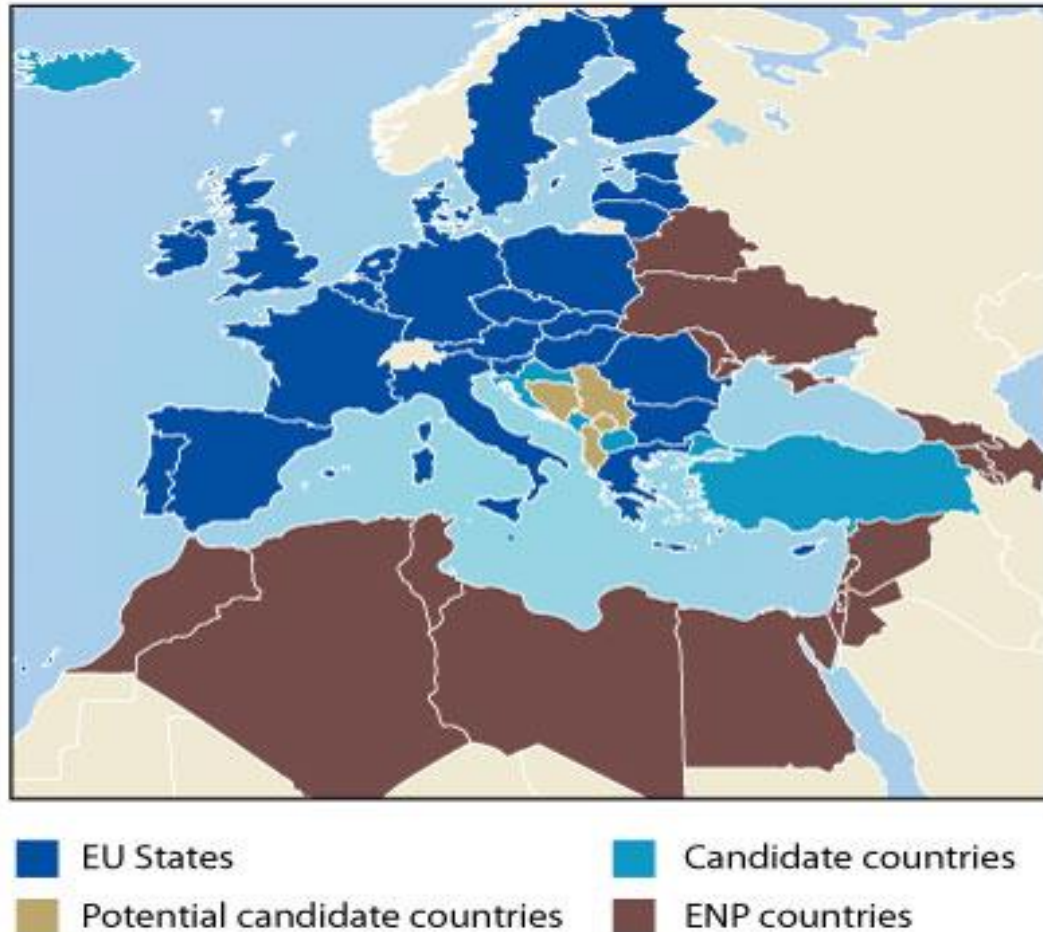
"the importance of all these regions to the European Union not only as partners in its external relations but also for the stability and security of our continent and its immediate neighbourhood. The European Union both has a special responsibility and is in a special position to work in close partnership with all of its neighbours to achieve these objectives."

However, more often than not, ENP analysts consider the British proposal to establish an initiative towards Eastern Europe in 2002 as the official beginning of the ENP. In preparation for the forthcoming enlargement round, the British Secretary of State offered on January 28th 2002 to launch a policy (Straw 2002) based on EU incentives in return for reforms with the aim of stabilising Ukraine, Belarus and Moldova (EU's future neighbours). Although the original proposal was aimed towards three countries in Eastern Europe, it was eventually decided to extend the

²⁰http://europa.eu/legislation_summaries/institutional_affairs/treaties/amsterdam_treaty/a19000_en.htm

geographical scope of the policy to include 16 partner countries: Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine.

Figure II: The geographical scope of the European Neighbourhood Policy



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Following more than two years of work on the policy's design (mainly managed by the Commission), the Commission introduced its ENP Strategy Paper in May 2004 (COM 373 final, 2004). According to the Communication (Ibid:3), the key objective of the Neighbourhood Policy is "to share the benefits of the EU's 2004 enlargement

²¹http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/international-affairs/european-neighbourhood-policy/index_en.htm

with neighbouring countries in strengthening stability, security and well-being for all concerned. It is designed to prevent the emergence of new dividing lines between the enlarged EU and its neighbours and to offer them the chance to participate in various EU activities, through greater political, security, economic and cultural co-operation."

How is the ENP implemented? The main instruments are the ENP Action Plans . The Action Plans are negotiated between the EU and every ENP partner country, "set out an agenda of political and economic reforms" and "reflect each partner's needs and capacities, as well as their and the EU's interests".²² The Action Plans are political agreements rather than international agreements and thus do not hold legally-binding powers. As such, the ENP does not establish new institutional ties between the EU and its neighbours but relies instead on existing agreements, i.e. the AAs for the Southern neighbours and PCAs for the Eastern neighbours. Also, the ENP does not establish new institutions to govern the initiative and the policy is being implemented and monitored under the framework of the AAs/PCAs' Councils and committees. Finally, referring to finance, it was decided that existing financial instruments (MEDA for the South and TACIS for the East) would support the initiative until the budgetary period ends. From January 1st 2007, the ENP became fully operational when its own financial instrument (the European Neighbourhood Partnership Instrument) came into force with a budget of nearly €12 billion (Ibid²³; COM 373 final, 2004).

In a nutshell, at the heart of the policy there is an offer and a price. On the one hand, the EU offers the ENP partners an incentive in the form of closer integration in various policy areas (the biggest 'carrot' is economic integration). On the other hand,

²² http://eeas.europa.eu/enp/how-it-works/index_en.htm

²³ http://eeas.europa.eu/enp/index_en.htm

in return, the EU expects the ENP partners to implement political, economic and social reforms. Put differently, "a clear quid pro quo is thus being created" (Harpaz 2004:13).

1.3 Identifying the gaps

In the literature, we can find a few examples of scholars who provide a general overview on ENP research. For instance, Wichmann (2007) contends that political science scholarship on the ENP usually examines to what extent the ENP resembles the enlargement process or whether the ENP could be considered as a cross-pillar security policy. Sasse argues that "most authors address the scope and limitations of the ENP and present variations on the 'capability-expectation gap'" (2008:4).

Näätänen (2008) identifies three approaches to the ENP literature: (a) studies that compare between the ENP and the enlargement policy; (b) studies that look at the ENP in the wider context of EU external relations; and (c) studies that examine the potential of the ENP. Alternatively, Barbe et al. (2009) differentiates between (a) the Europeanisation approach that evaluates whether the ENP offers enough incentives and socialization instruments for ENP partners; (b) the external governance approach that concentrates on the institutional settings being exported from the EU to third countries; and (c) studies whose objective is to evaluate whether the ENP could be considered as a normative/value-laden foreign policy. Finally, Bechev (2011) differentiates between (a) studies that aim to find solutions in which the ENP could be more effective and credible, i.e. increasing the EU's 'actorness'; (b) studies that investigate the possible institutional options for the EU to further develop its relations with the ENP Eastern partners; and (c) studies that concentrate on process (e.g. the governance approach), rather than policy or polity.

Overall, scholars who examine the ENP are usually inspired by EU's difficulties to implement the policy and thus are predominantly negative in nature. Weak incentives, double standards, insufficient financial resources, no added-value,

inadequate use of conditionality, strange mixture of partners, misleading rhetoric, and the lack of coherence; are just a few examples of the criticisms of the EU's attempt to influence its surroundings (e.g. Smith 2005; Baracani 2005; Del Sarto & Schumacher 2005; Tocci 2005; Stetter 2005; Grant 2006; Magen 2006; Herman 2006; Kelly 2006; Chilosi 2006; Emerson et al. 2007; Bechev & Nicolaidis 2008; Pace 2007; Hyde-Price 2008). Those studies, whether policy or theory-oriented, are indeed fundamental to our understanding of the ENP.

However, when examining the ENP literature with the aim of finding answers to the questions posed earlier in the chapter, we have a problem. Even though one can find excellent investigations that underline the role of various actors under the framework of the ENP; these studies are usually policy-driven, concentrate on the EU vis-à-vis ENP partners or member state vis-à-vis member state's relations, and are not based on any theoretical foundation. Then again, the existing theoretical studies on the ENP, appealing as they may be, lack a comprehensive, actor-based perspective. The central point of the theory-driven ENP scholarship is, more often than not, the policy itself and the policy's objectives; as in the case of Europeanisation research, or underlining one set of actors, for instance in the study of the European Commission's path dependence.²⁴

Against this background, I aim to close the gaps in the literature by specifically focusing on the interaction between the Commission and the member states. In the next section, I turn to an explanation of the research question, hypotheses and how I will tackle the research, theoretically and methodologically.

²⁴ In chapter two, I provide a more comprehensive report on various theoretical perspectives that were utilised in the ENP literature (see 2.2).

1.4 The research question

The focal point of this research project is the relationship between the European Commission and the EU member states within the framework of the European Neighbourhood Policy. More specifically, this research aims to examine whether the Commission was able to influence the political and institutional direction of the initiative. As such, the research question guiding this study is: ***What influence did the European Commission have on the emergence and development of the ENP?***

The theoretical framework of the thesis builds on Principal-Agent (PA) theory (Epstein & O'Halloran 1994; McCubbins et al. 1987; Pollack 1997).²⁵ Essentially, I argue that the EU member states and the Commission are engaged in a PA relationship, i.e. when “one, designated as the agent, acts for, on behalf of, or as representative for the other, designated the principal, in a particular domain of decision problems” (Ross 1973:134). Under the ENP framework, the member states, as principals, delegate competences to the Commission, as the agent. The competences that are given to the Commission are defined as “a conditional grant of authority from a principal to an agent in which the latter is empowered to act on behalf of the former. This grant of authority is limited in time or scope and must be revocable by the principal” (Hawkins & Jacoby 2008:2). Consequently, the balance of powers between the principals and the agent, or the scope that allows the agent to act is defined as agency discretion/autonomy, i.e. “the range of independent action available to an agent after the principal has established mechanisms of control by selecting screening, monitoring, and sanctioning mechanisms intended to constrain agent behaviour” (Ibid:4).

²⁵ The theoretical framework is explained at length in chapter two (see 2.3).

However, in order to answer the research question and given the institutional structure of the ENP (i.e. the political nature of the ENP Action Plans), there is a need for some modifications of PA theory. First, I argue that it is essential to look beyond PA 'traditional' views on delegation and control to include 'softer' forms of cooperation. In other words, not only to examine the act of delegation as established by Treaties (and other forms of laws) but also to take into account the delegation of non-binding acts (Pollack 2003; de la Porte 2008; Klein 2010). Moreover, so as to examine the Commission influence (the dependent variable - defined as an independent causal role) it is necessary to look at the Commission's discretion as well as at other strategies that the Commission might use in order to pursue its interests. Thus, for the purpose of this thesis, the most suitable way to conduct the PA analysis on the Commission's influence is to view the Commission as an informal agenda-setter and policy entrepreneur.²⁶

Concerning the research hypotheses, drawing mainly on the work of Pollack (2003) and Garret and Weingast (1993) on informal agenda-setting, Kingdon (1995) on policy entrepreneurship, and de la Porte (2008) on analysing PA relationship during various policy stages, the thesis established deductively the following theoretical hypotheses:

H I: The influence of the Commission will be greater in a situation where the member states face uncertainty and information asymmetries favouring the Commission

H II: The influence of the Commission will be greater in a situation where the transaction-costs of alternative policies and waiting are high

²⁶ See 2.4 for further elaboration on this matter.

H III: The influence of the Commission will be greater in the initial stages of the policy rather than in more advanced stages of the policy development²⁷

The analysis of the Commission's influence on the ENP covers the time-period from 2002 until 2009. For the purpose of this study, this time-period is divided into three stages, namely the formulation stage (Jan. 2002 – Apr. 2004), finalisation stage (May 2004 – Dec. 2006) and implementation stage (Jan. 2007 – Dec. 2009).²⁸ The three stages in the ENP evolution, in fact, constitute the three empirical chapters of the thesis (chapters four to six) and I test the research hypotheses against the empirical data collected for every one of the three stages of the policy development.

Since the use of PA analysis in this research does not aim to measure how much freedom the Commission enjoys (i.e. agency discretion) but how and to what extent the Commission is able to influence (i.e. agency behaviour) the ENP, I operationalise the research, or to be more specific the dependent/ independent variables, in qualitative terms (Pollack 2003; de la Porte 2008; Klein 2010). In so doing, I engage in an in-depth within-case²⁹ qualitative investigation while using process-tracing as my research strategy (George & Bennet 2005; Checkel 2005; Beach & Pedersen 2013).³⁰ Moreover, in order to collect as much data as possible and thus increase the validity of the research, I use triangulation of data sources (Denzin 1978; Mathison 1988). Essentially, I rely on primary sources (e.g. official EU Communications), secondary sources (prior studies on the topic) and elite interviews (interviewing EU/member states' Officials).

²⁷ I explain the theoretical rationale for these hypotheses in detail in chapter three (see. 3.5).

²⁸ See 3.2 on the timeframe of the research.

²⁹ By within-case investigation, I refer to the analysis of a single case-study, in comparison to cross-case analysis.

³⁰ See more in 3.4.

1.5 Research contribution

The research project contributes to the existing literature in two ways. First, empirically speaking, the purpose of the research is to move one step away from the analysis that focuses on the problems of the ENP; whether the ENP could or should be strengthened; what kind of foreign policy the ENP is; and what is the role of the EU as a normative/realist actor in the international arena? Instead, it aims to provide new insights on questions which were not covered by existing ENP literature.

Specifically, the thesis concentrates on the Commission's influence on the ENP (scope and institutional structure) and its relations with the member states during the development of the initiative.

Second, theoretically speaking, in a literature dominated by policy-oriented and descriptive studies, the thesis offers a theory-based, actor-centered account of the creation and development of the ENP. Moreover, it argues that since existing theoretical frameworks do not seem to provide us with satisfactory explanations concerning the policy-making and development of the Neighbourhood Policy, PA analysis might be a suitable theoretical approach for the specific research focus. Thus, the objective here is not to claim that PA analysis is the best theoretical framework to describe the evolution of the ENP but rather to show how PA can provide us with a different theory-laden perspective and explanations of processes which are often ignored in other accounts.

Referring to PA scholarship, PA students usually tend to examine EU internal policies or in the case of external relations, investigate PA relationships during EU negotiations with third countries. Also, PA studies often concentrates on the act of delegation (measuring discretion) while the preferred unit of analysis is laws (primary and secondary). As such, the analysis of the ENP, not only as a cross-pillar foreign policy with a *sui generis* legal basis ('soft' delegation) but also the focus on the interaction between the principals and the agent (analysing agency behaviour)

during various stages of the policy development; makes it a fascinating testing ground for PA traditional assumptions. Thus, the study's objective is to contribute to existing scholarship both empirically (to the study of the ENP) and theoretically (testing PA).

1.6 Structure of the thesis

Following the introductory remarks in this chapter, in **chapter two**, I examine the theory-based ENP scholarship and argue that the existing theoretical studies on the ENP do not provide us with a suitable framework to analyse the influence of the Commission on the ENP and its interaction with the member states. I thus introduce Principal-Agent theory as the theoretical framework of the thesis. Thereafter, in the **third chapter**, I introduce the analytical framework of the thesis. First, I identify the key actors in the research and define the time-frame of the analysis. Thereafter, I establish my methodological approach as I discuss the dependent and independent variables, the research strategy and the data collection methods.

Chapters four, five and six are the empirical chapters and cover the ENP formulation, finalisation and implementation stages, respectively. In these chapters, I use a deductive approach to test the three research hypotheses on the Commission's influence on the ENP and its interaction with the member states throughout the evolution of the ENP and following the three development stages.

Finally, the **seventh chapter** is the concluding chapter of the thesis. In this chapter, the findings of the three empirical chapters are synthesised with the aim of providing an answer to the study's research question. Moreover, taking into account the limitations of the thesis, the chapter offers some thoughts for future research.

Chapter 2: The ENP – theoretical framework

“Theory generates pluralism, pluralism produces choice, choice creates alternatives, alternatives formulate debate, debate encourages communication, communication increases awareness, awareness minimizes dogmatism and, in this way, there is a propensity to develop a better and greater understanding of social phenomena”
(Chryssochoou 2001:5)

In the previous chapter, I provided a general overview of the research. I identified the gaps in the literature, provided background information on the case under scrutiny and introduced the study’s main questions, the theoretical and analytical frameworks and expected contribution to the literature.

The objective of this chapter is to introduce the theoretical framework of the research. Initially, I argue that existing theoretically-based accounts of the ENP do not provide sufficient answers to the research question: *what influence did the European Commission have on the emergence and development of the ENP?* I maintain that principal-agent, as a mid-range theory that focuses on vertical power relations as well as based on a strong institutionalist standpoint, provides a suitable framework for the analysis of the interaction and influence of the Commission (on a supranational level) on the EU member states (on the intergovernmental level).

The remainder of this chapter is structured as follows. In the first part, I offer a brief introduction as I discuss what a theory is, why we need it, and what the challenges and value of theory are to the field of European Studies. Thereafter, I provide a summary of the key theoretical-based studies on the ENP while in the third part I introduce the theoretical framework of this research project – principal-agent analysis. Within this part of the chapter, I begin with the general assumptions of the theory while situating it under broader theoretical foundation (new institutionalism). Then, I engage with the various points of criticism as well as alternative theoretical

points of view. In the fourth part, I move on to discuss how PA was utilised in the case of the ENP while explaining how and why my view on the PA relationship between the Commission and the EU member states differs from existing literature. Finally, I provide a short summary of the chapter.

2.1 Theory and theorising the European Union

Moore proposes three conditions that make a set of statements a theory: (a) “the statements that compose a theory should be internally consistent”; (b) “theories should be logically complete”; and (c) “the set of statements must have falsifiable implications” (2001:1). Alternatively, Rosamond views a theory as “law-like statements” or “an instrument with which investigators can test hypothesis or propositions about social phenomena” (2000:8) while Wiener and Diez describe theory “as a casual argument of universal, transhistorical validity and nomothetic quality, which can be tested through the falsification of a series of hypotheses” (2004:3).

Wiener and Diez (Ibid:17) identify three functions for using a theory. First, theory is used with the aim of understanding or explaining an event. Second, theory is utilised when we want to investigate or describe an event. Third, theory is used as a way of critique, i.e. it recognises problems as well as offering solutions. Furthermore, Stoker maintains that theory plays an important role since it allows for ideas to develop and fosters information exchange as well as enables us to understand reality (1995:16-7). Additionally, it could be argued that theories also help us to simplify reality because they allow us to be more structured in our analysis (Bomberg et al. 2012; Nugent 2006; Rosamond 2000). As a final point, Stoker (1995:16-7) posits:

“Theory, in crude terms, helps us to see the wood for the trees. Good theories select out certain factors as the most important or relevant if one is interested in providing an explanation of an event. Without such a sifting process no effective observation can take place. The observer would be buried under a pile of detail and be unable to weigh the influence of different factors in

explaining an event. Theories are of value precisely because they structure all observations.”

It is important to bear in mind two things. First, the objective of theories is not to discover the ‘truth’ about reality but rather to achieve better understanding of reality (Oakeshott 2004; Moore 2001). Second, theories serve different purposes and thus we should be aware that different theories will generate different explanations and different explanations will result in different conclusions (Wiener & Diez 2004; Chrysochoou 2001; Rosamond 2000; Stoker 1995).

In the context of European Studies, EU scholars have tried to explain the development of the European integration project. It appears that many EU scholars (e.g. McCormick 2008; Nugent 2006; Hill & Smith 2005) are in agreement that the EU is a *sui generis* phenomenon: "It is this diversity and mix of actors – regional, national and supranational, public and private – the wide dispersal of power between them, and the need always to try to increase the number of 'winners', yet without the paralysis of most international organizations, that make the European Union unique" (Peterson et al. 2012:228). Then again, even though the EU can be considered as a ‘unique creature’, it does not necessarily mean that we should establish a new set of theoretical tools. In fact, once such new tools are created, we might face the $n=1$ problem since the EU is the only case under analysis thus causing our conclusion to be unreliable (Eilstrup- Sangiovanni 2006; Chrysochoou 2001).

Given that there are many approaches that theorise the EU, several scholars have decided to divide them into groups. For instance, Bomberg et al. (2012) makes the distinction between international relations, comparative politics, public policy and sociological/cultural approaches. Alternatively, Wiener and Diez (2004) distinguish between theories about polity, policy and politics whereas Eilstrup-Sangiovanni

(2006) differentiates between normative pre-integration theories, explanatory integration theories and neo-institutionalist and governance approaches.

All things considered, there are numerous ways in which one could examine the EU and "[t]here is no one approach with a monopoly of wisdom on EU politics" (Peterson et al. 2012:232). The EU could be considered as theoretical challenge due to its unique polity as well as its "tendency never to stand still for long. It seems always in motion, constantly changing and expanding" (Bomberg et al. 2012:6). Consequently, a methodological pluralism is required (Hill & Smith 2005:7) while limiting expectations that one theory would be able explain everything (Bomberg et al. 2012; Nugent 2006; Wiener & Diez 2004).

2.2 The ENP – what is on the theoretical menu?

How do we approach the research objective, in theoretical terms? It is somewhat surprising that there are only a few studies that provide a comprehensive outline concerning the theoretical 'state of the art' of ENP scholarship. That is not to suggest that the ENP is an under-researched policy area but rather that scholars often tend to focus on the strengths and weaknesses of the ENP but do not include theoretical perspectives *per se*. As such, I would agree with Kratochvíl and Tulmets who maintain that "only a handful of authors have so far tried to couple the research on the policy to the theoretical debates in the field of international relations and EU studies" (Ibid:9). Similarly, Bechev states that "most of the available scholarship approaches the ENP from a strongly prescriptive angle" and "its central task is to make the EU approach more effective and credible" (2011:419, see also Nääätänen 2008).³¹ That being said and before engaging with the discussion on the study's

³¹ To some extent, two studies that could be seen as exceptions are Bicchi (2007) and Manners (2010).

theoretical framework, it is still essential to give a short overview about different theoretical standpoints which were applied in the study of EU's neighbourhood.

2.2.1 The ENP and grand theories

Examining ENP literature, there are some (although few) attempts to examine EU's international role in the neighbourhood while using the grand theories of International Relations (IR). A good example is the study by Hyde-Price, who takes a realist perspective and maintains that the EU is being used as an instrument of the EU members in the international arena for: (a) collective economic benefits of the member states in the global economy (e.g. through trade agreements); (b) shaping the regional milieu (e.g. through the EMP, the ENP and enlargement); and (c) exporting member states' norms and values (e.g. democracy promotion and environment protection) (2008:31-2). Moreover, the realist perspective of Hyde-Price and others (e.g. Seeberg 2009; Johansson-Nogues 2007; Pace 2007) might be seen as a response to another theoretical perspective, specifically Manners' Normative Power Europe³² (Manners 2002, 2010). To put it briefly, it could be said that these scholars see the European Union in the ENP region as "nothing but a 'normal' political force" (Johansson-Nogues 2007:187).

As for EU integration theories, to my knowledge, there is no specific study that can be identified as explicitly using theories of European integration in connection to the focus of the research.³³ However, in numerous studies, the geographical scope of the ENP is being described as an outcome of a bargaining process and a compromise

³² As a response to the conceptualisation of the EU as a civilian or military, Manners posits that the concept of 'Normative Power Europe' is "an attempt to refocus analysis away from the empirical emphasis on the EU's institutions or policies, and towards including cognitive processes, with both substantive and symbolic components" (Manners 2000, quoted in Manners 2002:239).

³³ Kostadinova's (2012) study is to some extent noteworthy since it takes the ENP as one case study for the use of neo-functionalism to the analysis of the European Commission and its role in reconfiguring EU's external borders.

between East and South-oriented member states. Furthermore, various studies are focused on the different positions of EU members in relation to the ENP and its development (e.g. Overhaus et al. 2006; Lippert 2007, Natorski 2007). As such, one might maintain that there is a strong intergovernmentalist orientation within these studies, even if scholars do not explicitly argue that they base their argument on an intergovernmental perspective.

Going back to the issue at hand, the question is: Could the research be based on grand theories of IR and European integration? On the whole, both options do not provide us with appropriate answers. That is to say, grand theories are seemingly ineffective in addressing the questions posed in this study.

This is apparent if we take, for example, the theory of realism. According to realism, nation states, which are the key players in the international arena, are motivated by self-interests and their primary objective is security/survival (i.e. high-politics) of the state. Since nation states do not recognise any authority above them, the international system is in a state of anarchy and the realist tradition questions the possibility of real and true cooperation between states (Morgenthau 1978; Brooks 1997; Hyde-Price 2008; Andreatta 2011). However, we face serious difficulties in the application of realism to this case study because realism has a state-centric focus, the role and importance of the European Commission, as a supranational institution, is excluded and the only emphasis is given to the member states. Also, in contrast to previous studies whose goal of using the realist standpoint was mainly to define the role of the EU as an international actor in general and following its policies towards the neighbourhood in particular, this research actually underlines the significance of relations between the supranational level (i.e. the Commission) and the intergovernmental level (i.e. the member states).

Neo-functionalism is also a case in point. Haas, the founding father of neo-functionalism, defines regional integration as "the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new and larger centre, whose institutions demand jurisdiction over the pre-existing national states" (1958:16); hence, the supranational level plays a key role in the integration process. In addition, neo-functionalists believe that European integration is a self-sustaining process and base their argument on the concept of 'spillover' - "a situation in which a given action related to a specific goal, creates a situation in which the original goal can be assured only by further actions, which in turn create further condition and a need for more action, and so forth" (Lindberg 1963:9). Still, neo-functionalism has been widely criticised, for the most part following its inability to predict the development of the European integration project, its optimistic belief that economic integration will eventually lead to political integration and; its overemphasis on the strengths of supranational actors; and its failure to take account of intervening exogenous factors (Moravcsik 1993, 1995; Hix 1994; Pierson 1996). Specifically, even though EU member states have transformed some of their loyalties to supranational institutions (such as the Commission or the ECJ), it is still apparent that with respect to foreign policy, the 'final word' in decision-making lies in their hands.

Finally, applying Liberal Intergovernmentalism (LI) to our analysis might be a productive exercise; especially if we share Moravcsik's take on member states' superiority over supranational actors. Based on the work of Hoffmann (1966), the theory of Intergovernmentalism stands as a response to neo-functionalism. Combining theories of preferences, bargaining and regimes, the "LI model divides the EC decision-making process into three stages – foreign economic policy preference formation, inter-state bargaining, and institutional delegation" (Moravcsik 1995:612). Furthermore, LI highlights the importance of nation states in deciding the pace of the integration and maintains that nation states see the integration as a way to pursue their self-interests (Moravcsik 1993, 1995). Nonetheless, critics of LI posit that Moravcsik tests his framework in a very selective way, i.e. focusing on major

events or historic decisions (Intergovernmental Conferences) while paying less attention to more day-to-day, routine decisions. In addition, one of the main points of criticism is that LI, or any other form of intergovernmentalism, underplays the role of supranational actors (Wincott 1995; Smith 2004; Nugent 2006; Kassim & Menon 2010). Undeniably, nation states (i.e. EU member states) are the most important actors in EU foreign policy and the European Commission, to a great extent, plays a relatively minor role. All the same, one cannot exclude altogether the interests of the Commission and its role, as a supranational institution, in EU foreign policy since "EU's policies towards virtually any region rely upon the Commission to go beyond diplomacy, in the sense that the relevant DG's will manage the details and set up the programmes that actually help achieve the desired ends" (Duke 2006:18). What is more, the Commission's role is particularly significant in cases where national and Community competences overlap, for instance, with topics related to human rights and economic sanctions or within cross-pillared dossiers such as Crisis Management and the European Neighbourhood Policy (Stetter 2004; Gauttier 2004; Dijkstra 2008, 2009; Vanhoonacker et al. 2010; Klein 2010).

Against this background, I would argue that the ENP case is partially anomalous. On the one hand, the ENP could be regarded as yet another example where the Commission is involved with policy fields which are not exclusively related to first pillar policies. On the other hand, as I will demonstrate in the empirical chapters of the thesis, the European Neighbourhood Policy could be seen, to some degree, as a unique case, given the unprecedented influence the Commission had on the development of the policy, especially during the formulation stage.

In summary, it seems that the grand theories of IR and of European integration do not provide the necessary answers in order to understand the establishment and development of multi-dimensional, cross-pillared EU foreign policies in general and the ENP in particular (Manners 2010; Vanhoonacker et al. 2010; Nugent 2006; Hix

2005). Grand theories are being critiqued as too general, too state-centric, and because they do not take into account a possibility of disintegration. Also, grand theories neglect to mention the growing role of non-state actors like the private and public sectors or the European Commission as a supranational institution (Nugent 2006; Hix 2005). Finally and maybe most importantly, it was mentioned earlier in this chapter that different theories offer different explanations and different focus, as such, the focus and assumptions of theories such as realism, neo-functionalism or liberal intergovernmentalism are simply not relevant to the study's focus.

2.2.2 From grand theories to mid-range theories

As a response to the limitations of grand theories in explaining the integration process, mid-range theories and new approaches 'came to the rescue'. The added-value of mid-range theories is that they provide a theoretical framework for the analysis of specific aspects related to EU's development, structure and policies (Taylor 2008; Nugent 2006; Rosamond 2000; Kerremans 1996). Overall, there are various mid-range theories, approaches and concepts that are being used in EU Studies, the study of EU foreign policy-making and in the context of EU foreign policy towards its periphery.

Relating to our case, a fine example is the use of 'external governance' (Lavenex 2004, 2008). According to Lavenex, external governance occurs "when the institutional/legal boundary is moved beyond the circle of member states" (2004:683). As such, the EU is trying to project its system of governance to its neighbourhood. Applying 'external governance' to the ENP, Lavenex argues that "rather than a unified foreign policy with a clear hierarchy of goals, actors, strategies and instruments, the ENP may be conceptualized as a (loosely coupled) roof over expanding structures of sectoral, functional co-operation in Europe" (2008: 951). Another example is Tulmets' (2010) 'experimental governance'. Tulmets argues that the EU tried for the first time to implement a new kind of method, similar in many

ways to the Open-Method of Coordination (OMC)³⁴, and following its success, it was implemented as well in the ENP framework. Alternatively, Cardwell studies the EMP, ENP and Union for the Mediterranean (UfM)³⁵ and maintains that by creating a ‘EuroMed system of governance’, the EU is trying to “fulfil its goals and project its own ideas and values externally according to its own changing preferences” (2011:220). Moschella (2007) applies an International Political Economy (IPE) approach to the ENP. In so doing, Moschella argues that an IPE approach is "well-placed to bridge the divide between studies that focus on EU incentives, on the one hand, and studies that investigate domestic factors, on the other" (Ibid: 173). Finally, Zaiotti (2007) utilises a sociological approach to the ENP and maintains that the tensions between the ENP's internal and external dimensions and between its inclusion and exclusion components are a result of what he calls the 'gated community syndrome'.

Each and every one of the above theories, approaches and concepts has contributed to the study of EU foreign policy towards its neighbourhood. Yet, we encounter problems while trying to apply them to the specific needs of this research. For instance, examining Lavenex’s ‘external governance’, Zaiotti argues that this approach “still does not explain why with the ENP the EU opts to push for more integration in some fields (e.g. economic) and not in others (e.g. security)” (2007:153). In addition, in comparison to Lavenex’s approach, the focal point is not to show how the EU transfers its system of governance to third countries, but rather it concentrates on the interaction between actors within the EU. Also, concepts like ‘coherence’ and ‘consistency’ (e.g. Nervi 2011), useful as they might be in analysing the inter-institutional interaction concerning EU foreign policy, might not be treated as theoretical foundation *per se*.

³⁴ The similarities between the OMC and the ENP will be further discussed later in the chapter (see 2.4).

³⁵ More on the UfM, see 6.4.

2.2.3 Thinking outside the box?

To date, one of the most sophisticated accounts concerning EU foreign policy towards its neighbourhood is the study by Federica Bicchì (2007). While analysing the relations between the European Community and its Mediterranean neighbours from the end of the 1950s until present day, Bicchì develops a new approach, which offers a middle way between rational choice and constructivism - 'ideational intergovernmentalism'. Incorporating elements of rational choice, liberal intergovernmentalism and policy analysis, the ideational intergovernmentalism assumptions are threefold: (a) "The rationale for EU policy making consists of member states' need to address cognitive uncertainty"; (b) "The main actors promoting a European process are states"; and (c) "The gist of negotiation is the attempt to 'frame' new knowledge with the aim of using it to formulate policy" (Ibid:15).

By the same token, Kratochvíl and Tulmets (2010) take the ENP as a case study in their attempt to engage with the constructivism/rationalism division. They maintain that "instead of monopolising the EU's external relations by either constructivism or rationalism, a more fruitful strategy is to see both approaches as analytical lenses that can be put on or taken off in accordance with the requirement of the empirical context" (Ibid:10). In so doing, their study looks at the development of the ENP from 2002 until 2009, and examines the position of EU institutions (Commission, Parliament and Council), member states (Germany, France and Poland) and ENP partners (Ukraine, Moldova and Georgia) towards the ENP while trying to determine in which way they act (i.e. weak/strong constructivist or weak/strong rationalist) and at what point of time.

Looking at the two studies, the question is to which degree we could apply those novel theoretical approaches to this research. Certainly, Bicchì's 'ideological intergovernmentalism' provides an excellent theoretical-based account on the

development of EU foreign policy towards its Mediterranean neighbours, and I incorporated various points that Bicchi highlights. First, I am in agreement with Bicchi that even though power relations and rationality are key factors in the analysis, one should not ignore ideational elements. Second, I also integrate Kingdon's (1995) concept of policy entrepreneurship in my theoretical framework and share the view that while EU member states could be considered as the main actors, there is still room to see the European Commission as a self-interested entrepreneur. Finally, this study shares Bicchi's goal in exploring "alternative ways of analysing European integration and EFP³⁶ more particularly, rather than to claim to be the last word on EU policy making" (Ibid:41).³⁷

Still, there are several points of divergence between Bicchi's work and this study. On the one hand, Bicchi indeed touches upon issues of power relations, but mostly focuses on power struggles between nation-states. Although the Commission could be considered as an active actor and to some extent as a policy entrepreneur in the Mediterranean, Bicchi questions the likelihood of the Commission to work against member states' preferences. In contrast, this research aims to examine the interaction between the member states and the Commission while taking into consideration the possibility of power-conflicts, turf-wars and preference heterogeneity not only between EU members but also between the supranational and intergovernmental levels.

In fact, a key objective of this study is to examine whether the Commission could work against member states' preferences. Moreover, a central aspect in Bicchi's analysis is that EU members work under conditions of 'cognitive uncertainty' – "a case in which member states do not have a clear idea of what is going on or what is

³⁶ European Foreign Policy.

³⁷ I will further discuss ideational actions and policy entrepreneurship in chapter three (see 3.5, 3.5.2).

their role” (Ibid:188). Thus, Bicchi views state actors as ‘uncertainty minimisers’ – “meaning that national representatives need to address new challenges with novel policy solutions” (Ibid:15). This study, however, tends to follow the rational perspective that state-actors³⁸ are utility maximisers, who might not be in full control and have perfect information; but they do know ‘what’s going on’ and far from being in a constant situation of uncertainty.

In respect to Kratochvíl and Tulmets’ investigation (2010), I share their standpoint that the EU could not be seen as a unitary actor in the case of the ENP and the role and preferences of individual actors (like the member states or the Commission) are of major importance. Nonetheless, I pay less attention to actors such as the European Parliament and the ENP countries since, in my point of view, they play a relatively minor role in the development of the policy.³⁹ In terms of the theoretical perspective, I am in agreement with Kratochvíl and Tulmets’ explanation that it is difficult to conceptualise actors’ behaviour under the framework of the ENP in absolute terms – be it rational or constructivist. On the one hand, it could be said that their solution of using ‘analytical lenses’ is a rather innovative way to engage with the rationalism vis-à-vis constructivism question. On the other hand, the actual analysis is, in my opinion, not developed enough as they base their findings on relatively weak evidence. For example, based on three interviews with officials from the Council Secretariat and discourse analysis of seven documents (mainly from 2002-2004); Kratochvíl and Tulmets reach a conclusion that the Council acted in a rational way between 2002 and 2004, in a constructivist way between 2004 and 2007 and rational again between 2007 until present day. Equally important is that the objective of this research project is not identifying whether the member states, ENP partners or the Commission act in a rational or constructivist way towards the ENP (or engaging with the much broader debate between rationalists and constructivists) but rather to

³⁸ And as we shall see, also supranational actors like the Commission.

³⁹ I would further discuss this point in chapter three (see. 3.1).

focus on the Commission's influence on the development of the ENP and its interaction with the member states.

Against this background, I chose Principal-Agent (PA) as my theoretical framework, and in the next sections, I will explain how PA fits to my research focus.

2.3 Enter Principal-Agent

The Principal-Agent approach was originally conceived in the study of economics and was quickly applied to political science to study American politics (e.g. Epstein & O'Halloran 1994, 1999; McCubbins et al. 1987). As mentioned in the previous chapter, an agency relationship is defined as a situation when "one, designated as the agent, acts for, on behalf of, or as representative for the other, designated the principal, in a particular domain of decision problems" (Ross 1973:134).

According to PA, principals delegate power to an agent to act on their behalf. Why should principals delegate authority to an agent? The literature identifies numerous reasons. Most prominent are: (a) reducing transaction-costs and improving the efficiency of the decision-making process. Under this category, there are various functions that the agent could fulfil. For example, principals could profit from the expertise (and reduce problems related to informational asymmetries) of a specialised agent that is capable of working in a highly complicated or technical policy area. Alternatively, in order to avoid problems of collective decision-making and endless cycling of policy proposals as well as to overcome problems of collective action, principals might delegate agenda-setting competences to an agent; (b) enhancing credibility of policy commitment. In this respect, principals might decide to delegate powers to an independent and credible agent with the aim of monitoring and even enforcing the principals' compliance; and (c) shifting blame for unpopular decisions or policy failures. In this case, principals can, for example,

delegate competences of policy implementation to an agent while distancing themselves from the policy in order to avoid political consequences (Fiorina 1982; Keohane 1984; Moravcsik 1993; Pollack 1997; Thatcher & Sweet 2002; Tallberg 2002; Hawkins et al. 2006).⁴⁰

Following the act of delegation, the principal encounters an immediate problem which is at the heart of PA analysis – the fact that agents usually have different preferences than their principals and could use, for example, their asymmetric informational advantage or conflicts between multiple principals and “behave opportunistically, pursuing their own interests” (Kiewiet & McCubbins 1991:5). The result of such behaviour is known as ‘agency losses’. Agency losses might occur in two forms: as a bureaucratic drift or ‘shirking’, i.e. “the ability of an agency or other executive actors to enact outcomes different from the policies preferred by those who originally delegated power” (Epstein & O’Halloran 1994:699); or in the form of ‘slippage’, i.e. “when the structure of delegation itself provides perverse incentives for the agent to behave in ways inimical to the preferences of the principals” (Pollack 1997:108). Yet, as Kerremans rightly argues, the distinction between the two terms is not always very clear and some actions by the agent could be interpreted as slippage as well as shirking (2006:175). Also, in some cases when the interests of the principal and agents differ, “it is not the principal’s interest to minimize such difference” (Majone 2001:110). For instance, in order to show its commitment to the long-term implementation of a policy, the principal can choose an agent that will not follow the principal's every whim and caprice. Another scenario where a principal might choose an agent with different interests is in a situation in which the principal faces an increased policy uncertainty (Ibid, see also Miller 2005; Bendor et al. 2001).

⁴⁰ Other arguments mentioned in the literature that could fall within the basic three rationales for delegation are: overcome problems of incomplete contracting, dispute resolution, ‘lock-in’, external representation, policy implementation and research and advice (e.g. Kassim & Menon 2003; Bradley & Kelley 2007).

The principals, as a response to the opportunistic behaviour of the agent, will try to keep their losses to a minimum. In so doing, the principals can use *ex ante* or *ex post* control mechanisms. Moe claims that “perhaps the most attractive means of protection against bureaucratic autonomy is not to try to control how it gets exercised over time, but instead to limit it *ex ante* through detailed formal requirements- criteria, standards, rules, deadlines-that are written into the law” (1990:235). Therefore, *ex ante* control refers to mechanisms which are established prior to the actual act of delegation and related to agency design, legal instruments and administrative procedures (see also McCubbins & Page 1987; McCubbins et al. 1987). In contrast, under *ex post* (or on-going) control mechanisms, McCubbins and Schwarz identify two types of control, namely ‘police-patrol oversight’ and ‘fire-alarm oversight’. Police-patrol oversight consists of active, direct and centralised monitoring and control mechanisms that are exerted by the principal. Among those, one could find hearings, scientific studies and field observations. In the less centralised case of fire-alarm oversight, the principal establishes procedures (e.g. access to information) that enable third parties such as individual citizens or interests groups to monitor the agent, to report to the principal in case of violations of agency discretion and even to seek remedies (1984:166).

Moreover, *ex post* controls do not only include oversight mechanisms but also the option to sanction the agent. Pollack distinguishes between four possibilities which are available to the principal in case of non-compliance: (a) the principal can cut the budget of the agent; (b) the principal can dismiss or reappoint the agency personnel; (c) by adopting new legislation, the principal can overrule agency action; and (d) in extreme situations, the principal can refuse to comply with the agent’s decision (1997: 116-8). Finally, in addition to *ex ante* and *ex post* control mechanisms, Kerremans (2006) identifies another type of control mechanism available to the principals - the *ad locum* control. Analysing EU trade negotiations during the WTO’s

Uruguay Round, Kerremans argues that the *ad locum* control⁴¹ is exerted by the principals not before or after the act of delegation but rather during the external negotiations (see also Delreux & Kerremans 2010).

In any case, due to the fact that control is costly and the benefits which the principals extract from the relationship with the agent are inversely proportional to the amount of control they exert over the agent, “the trick is to delegate just the amount of power to enable agents to achieve desired outcomes with minimal agency loss” (Thatcher & Sweet 2002:5).

Referring to EU Studies, Billiet maintains, “part of the genius of the PA approach as it is applied to the study of the EU is that the notion of ‘delegation’ accommodates, in a very simple way, much of the underlying institutional complexity of the European construction” (2009:451). Moreover, according to Dür and Elsig, a key advantage for the use PA in comparison to grand theories is that “it does not come with a similarly extensive theoretical baggage as do the traditional macro-theories of European integration” (2011:331).

As such, PA has been used by scholars to study various EU institutions, including the European Commission (Pollack 1997, Franchino 2007), the European Parliament (Kelemen 2002), the European Central Bank (Elgie 2002), the European Court of Justice (Tallberg 2002; Pollack 2003), the EU Presidency (Tallberg 2003; Delreux & Kerremans 2010), and the Comitology system (Ballmann et al. 2002; Blom-Hansen 2008). Furthermore, in their analysis, PA scholars usually examine the reasons why

⁴¹ According to Kerremans (2006), Article 133 Committee is identified as a central *ad locum* control mechanism exerted by the member states in order to control the Commission during the WTO negotiation.

principals decide to delegate competences to an agent or try to explain variations in agency discretion. Thus, for instance, Pollack (2003) investigates the act of delegation to the Commission, the ECJ and the EP while focusing on the functions being delegated as well as variation in agency discretion across time and policy area. Along the same lines, Wonka and Rittberger (2010) are looking at variations in the independence of EU agencies from the Commission, the Parliament and the member states while testing three explanations for delegations – credibility, policy complexity and political uncertainty. Alternatively, Majone (2001) in his critical work on PA examines two key rationales for EU members to delegate powers to the Commission, namely reducing transaction-cost and enhancing credibility.

2.3.1 Placing PA under a theoretical umbrella

Principal-agent is a framework for analysis that helps us in “ordering our thoughts about a particular problem rather than a fully-fledged theory of policy making” (Hodson 2009:472). Following the same line, Thatcher and Sweet (2002:3) posit that PA could be considered as 'just' a framework since its position as a causal theory is incomplete. Moreover, Hawkins et al. posits that PA definitions (e.g. the definition of a principal or an agent) are, to some extent, theory-neutral (2006:9-10). Yet, I am in agreement with Pollack who maintains that “PA analyses, if incomplete, provide a useful starting point for theorizing about both delegation decisions and subsequent relations between principals and agents” (2007:8).

Trying to situate PA analysis within a broader theoretical framework in EU Studies, we could trace the use of PA analysis to Moravcsik's Liberal Intergovernmentalism.⁴² Yet, much like the general arguments against LI, the use of PA approach within LI attracts criticism concerning LI's overemphasis on state

⁴² For an excellent review of the use of PA analysis in different approaches to EU studies see Kassim & Menon (2003).

actors and the lack of attention to supranational actors and their influence, i.e. 'agency losses' (Pierson 1996; Kassim & Menon 2003; Jonsson & Tallberg 2008). A more sophisticated use of PA in EU Studies could be found within the framework of new institutionalism and rational choice institutionalism (e.g. Pollack 1997; Tallberg 2000).

2.3.2 New Institutionalism and Rational Choice Institutionalism

New institutionalism could be regarded as a theoretical umbrella for various mid-range theories. Essentially though, new institutionalism does not offer a macro-social model for European integration but rather provides a methodology for research, and its core assumption, which it shares with traditional institutionalism, is that institutions are important because they affect the actions and choices of agents (Bulmer 1998:368; March & Olsen 1984). Nonetheless, new institutionalists accept a wider interpretation of institutions; an interpretation which covers not only formal constitutional-legal approaches to government, but also less formal ones, such as 'policy community' and 'policy network' (Bulmer 1998:369, see also Nugent 2006; Kamel 2009; Bethani 2011). Additionally, new institutionalists highlight the importance of institutional values and argue that we cannot separate the formal institutional rules from the normative context (Bulmer 1998:369; Kerremans 1996). While placing the analytical focus on the polity, the presumption of new institutionalists is "that the polity structures the inputs of social, economic and political forces and has a consequential impact on the policy outcome" (Bulmer 1998:369). Thus, central to new institutionalism is the belief that institutions, as actors in their own right, affect outcomes and shape actions, in the words of Peterson and Shackleton (2012:6): "They are not just cars waiting for drivers" (see also March & Olsen 1984; Aspinwall & Schneider 2000; Lecours 2005).

On topics such as actors' behaviour, the role of institutions and institutional persistence over time, new institutionalists differentiate between two approaches,

namely the ‘calculus approach’ and the ‘cultural approach’. The calculus approach is primarily based on strategic calculation. That is to say, actors behave strategically, examining all possible routes of action and deciding the best way to act in order to pursue their goals. In addition, the preferences of the actors are formed irrespectively of the institutional analysis. Referring to institutions, the calculus approach sees them as purely functional, i.e. providing actors with information, enforcing agreements, etc. Alternatively, the cultural approach argues that actors do not behave completely in a strategic manner but are rather influenced and bounded by their view on the world. Actors may be rational but their choice of action is not only dependent on instrumental calculation but also on their interpretation of reality. According to the cultural approach, institutions do not only provide services to actors but also significantly influence actors’ behaviour, identity, and preferences (Hall & Taylor 1996:938-40).

Essentially, Rational Choice Institutionalism (RCI) is based on the calculus approach explained above. As such, it views institutions as purely functional and examines their origin by looking at the functions they perform and their persistence by the benefits they deliver to the actors. RCI maintains that individual actors, who are seen as ‘utility maximisers’, act strategically in order to pursue their objectives. They form their preferences independently of the institutional structure while institutions are imposing constraints or provide opportunities for action (Bulmer 1993; Hall & Taylor 1996; Aspinwall & Schneider 2000; Peters 2000; Steinmo 2001; Lecours 2005; Jonsson & Tallberg 2008).

Finally, in the context of EU Studies, the advantage of using RCI is that it

“allows us to transcend the intergovernmentalist-neofunctionalist debate by acknowledging the initial primacy of the member states and, proceeding from this point, to generate a series of hypotheses about supranational autonomy and influence more precise than those generated by either neofunctionalist or

intergovernmentalist theory” (Pollack 1997:101, see also Jupille & Caporaso 1999; Tallberg 2000).

2.3.3 RCI and PA – criticism and alternative standpoints

Scholars from various disciplines (e.g. historical/sociological institutionalism and constructivism) question the usefulness of rational choice in analysing actor behaviour, actor’s preferences and institutional change. Simon Hug, for example, focuses mainly on the issue of preferences and argues that rational choice analysts encounter difficulties while trying to explain a significant change in preferences. In addition, he argues that rational choice institutionalism “quite possibly... presents the clearest definition of preferences and the weakest assumptions about preferences” (2003:44). Jenson and Merand add that “social action and even strategic choices are underpinned by social factors that give choice and action more varied foundations than a simple calculation of optimality” (2010:78). A critical review of PA and its use within EU Studies is provided by Kassim and Menon (2003, 2010) who claim that PA/RCI scholars disregard the possibility that EU member states will be influenced by learning processes, although there is evidence which proves otherwise (2003:132). They also argue that there is a tendency to give too much emphasis to the examination of the conditions which enable agent to influence principals while neglecting “the resources that these institutions command” (Ibid: Ibid).

Sociological Institutionalism (SI) could be seen as one of the main rivals of rational choice institutionalism (and PA). Sociological institutionalism, in comparison to RCI, is based on the cultural approach. Consequently, SI defines institutions in broader terms as consist of “not just formal rules, procedures or norms, but the symbol systems, cognitive scripts, and moral templates that provide the ‘frames of meaning’ guiding human action” (Hall & Taylor 1996:947). SI scholars argue that institutions and their structure are not only created with the thought on their functional role but one should take into consideration the influence of cultural practices as well. Referring to the origin of institutions, SI begins by arguing that

institutions do not come to life in a vacuum but rather in an environment full of other institutions. In addition, new institutions can be created or chosen for reasons other than effectiveness, and following the same line of thought, institutions' structure could transform not for efficiency purposes by itself but for example, for enhancing legitimacy. Institutions, according to SI students, influence human behaviour "not simply by specifying what one should do but also by specifying what one can imagine itself doing in a given context" (Hall & Taylor 1996:948, see also March & Olsen 1996; Aspinwall & Schneider 2000; Gorges 2001). As such, actors take action following the 'logic of appropriateness' which stands in contrast to logic of rational choice's 'logic of consequence' (March & Olsen 1996:252).

Now, how is SI being used in the context of EU foreign policy towards its periphery? In this respect, Bicchi's study (2006) stands out. Similar to Lavenex's 'external governance', Bicchi examines how the EU projects its structure to the outside world, or to be more specific – under the framework of the EMP. However, Bicchi's focal point is on normative aspects of EU foreign policy while evaluating the utility of SI in the case of regionalism in the EMP area. Bicchi argues that "the originality of sociological institutionalism consists of its emphasis on unreflexive behaviour and institutional isomorphism, by which the EU promotes its own highly successful model of Western integration" (2006:299). Finally, she concludes that the unreflexive behaviour of EU in promoting its value in foreign policy could be a case for seeing the EU as a normative actor.

Indeed, SI provides us with quite a multifaceted picture of how institutions originate and of the processes of institutional change. Yet, one can also argue that SI explains everything and nothing. On the one hand, SI suggests that we cannot examine human behaviour and institutions only in relation to strategic calculations of actors and questions of efficiency and on the other, it seems to ignore that strategic calculations,

conflicts of interests and battles for power between actors are still important factors in analysis (Hall & Taylor 1996:954).

Moving on to Historical Institutionalism (HI), the advantage of using HI is, as a more eclectic school of thought, that it uses both the calculus and the cultural approaches in its analysis (Ibid:957).⁴³ Hence, HI students see the relationship between institutions and agents in much broader perspective and add that “by shaping not just actors' strategies (as in rational choice), but their goals as well, and by mediating their relations of cooperation and conflict, institutions structure political situations and leave their own imprint on political outcomes” (Thelen & Steinmo 1992:9 quoted in Bulmer 1993:356). Following this view, actors “may be in a strong initial position, seek to maximize their interests, and nevertheless carry out institutional and policy reforms that fundamentally transform their own position (or those of their successors) in ways that are unanticipated and/or undesired” (Pierson 1996:126). HI defines institutions as “the formal or informal procedures, routines, norms and conventions embedded in the organizational structure of the polity or political economy” (Hall & Taylor 1996:938). Historical Institutionalists highlight the fact that institutions are resistant to change and use concepts of ‘path dependence’, ‘lock-in’ and ‘stickiness’ to explain that once gaps between actors’ preferences and institutional functions emerge, they are difficult to close. In order to have a comprehensive understanding on political processes, HI argues that one should analyse them over time (Pierson 1993, 1996). As such, HI analysts tend to divide historical events “into periods of continuity punctuated by ‘critical junctures’, i.e., moments when substantial institutional change takes place thereby creating a ‘branching point’ from which historical development moves onto a new path” (Hall & Taylor 1996:942).

⁴³ This advantage could be also seen as a disadvantage because in combining these two approaches, HI scholars are less attentive in developing and explaining how exactly institutions affect human behaviour (Hall & Taylor 1996:950).

Essentially, there were several attempts to examine the ENP while using HI. In this respect, scholars mainly use this approach in order to compare between the ENP and the enlargement process. Similarities regarding the contracts between the EU and third countries (ENP Action Plans and Accession Agreements), control mechanisms (e.g. progress reports), socialization process, positive conditionality (ENP – more integration, enlargement – EU membership), and the fact that Commission personnel who worked on enlargement became the designers of the ENP; are just a few examples of why the ENP resembles enlargement and how path dependent the ENP is. The common conclusion of these investigations was that the same instruments that worked quite well in the accession process will not have the same desirable effect in the case of the ENP (Kelly 2006; Magen 2006; Gebhard 2007). As such, “the major analytical puzzle does not exactly emerge from the question whether the ENP has been and is subject to this sort of mechanisms or not” (Gebhard 2010:92). Boldly said, the fact that EU foreign policy towards the neighbourhood resembles previous policies and that enlargement instruments will have major difficulties to work in the case of the ENP countries is ‘old news’.

2.3.4 RCI/PA response

Empirical disagreements, Pollack (2007) maintains, are the most challenging group of arguments to defend. In this respect, it might be argued that PA models could be “internally consistent and theoretically coherent, but that they systematically fail to identify correctly either (a) the reasons and the conditions under which state principals delegate powers to international agents, or (b) the subsequent autonomy and influence of international agents vis-à-vis their principals” (Ibid:13). Furthermore, other theoretical frameworks (e.g. SI) could provide us with a better understanding of the interaction between principals and agents in international politics.

First, Pollack tends to agree with the fact that there is a real methodological problem of measurement (i.e. measuring abstract concepts like credible commitment); and as a consequence, testing PA hypotheses is quite a challenge. Nonetheless, problems of measurement are not unique to PA analysis and one should always define and structure the research variables and their measurement with care (Ibid:14).⁴⁴

Second, even if SI produces other explanations for the delegation of power (e.g. normative reasons like legitimacy), which PA scholars should not ignore, there are a few aspects that are rather problematic. Some symbolic acts of delegation are possible, particularly in cases where the stakes of delegating powers are low; however, when the stakes are high, this possibility seems unrealistic. Furthermore, while comparing PA and sociological institutionalism's hypotheses regarding delegation, it is almost impossible to conclude, empirically, that SI is superior to PA (Ibid:15-6).

Finally, constructivists might argue (a) that PA does not provide us with the necessary tools in order to understand how international organizations, as agents, shape their preferences and behaviour; and (b) that PA, as a rationalist theory, does not pay attention to the possibility that the agent could have sources of power and influence like moral authority or rational-legal authority. Pollack, in response, answers that "if moral authority is a marginal resource for IOs or if the evidence for the persuasive or constitutive power of IOs is weak, then the ontological blindness of rationalism toward such phenomena need not trouble us very much" (Ibid:20). At the end of the day, Pollack concludes that the question of which concept/approach/theory provides us with the best framework of analysis is an empirical one.

⁴⁴ I will come back to the issue of measurement in chapter three (see 3.4-3.6).

2.3.5 PA – recent developments

Throughout the years, PA analysis has evolved quite remarkably as PA students have started to engage with more complicated models of PA relationships, developed new insights on the interaction between principals and agents as well as applying PA in new areas of research.

First, we could find studies that develop more complex PA relationship than a simple principal vis-à-vis agent interaction. In this context, I mostly refer to PA scholars who aim to examine delegation chains. For instance, Strøm (2003) identifies four links in the chain of delegation of parliamentary democracy: (a) from the voters to elected representatives; (b) from the legislators to the chief executive (e.g. the Prime Minister) and the Cabinet; (c) from the Prime Minister and the Cabinet to Ministers; and (d) from to the Ministers to the civil servants. Another example is Gutner (2005) who examines Multilateral Development Banks (MDBs) and detects the complex delegation chain where the member states act as principals to the MDB (agent) which in turn is a principal to the borrower country⁴⁵ (see also Nielson & Tierney 2003; Rasmussen 2005; Vaubel 2006; Dür & Elsig 2011).

Second, instead of concentrating solely on the act of delegation, the rationale for delegating and mechanisms of control, there are studies whose focus is on agency behaviour. Here, I not only refer to scholars who try to understand what agents want while identifying the conditions under which the agent might be more influential (e.g. Pollack 2003) but also to PA students who attempt to identify specific agency strategies for the exertion of influence over the principals. An excellent example is the work by Hawkins and Jacoby (2006) who raise attention to the fact that “theorists who see agents as simply trying to hide information and action are likely to miss

⁴⁵ Gutner (2005) also offers a more complex example of delegation chain where there are five delegation chains (member states-governors-board of directors-bank-recipient country).

important strategic interactions that alter PA outcomes” (Ibid:200, 2008). As such, they focus on four strategies that the agent uses in order to expand its influence: (a) following the first act of delegation, agents could interpret the principals’ mandate in a ‘principal-friendly’ way in order to receive more competences; (b) once a more secured PA relationship was established, agent could re-interpret their mandate to their advantage; (c) by expanding their permeability to third parties, "agent are capable of picking and choosing which third-party information and arguments they wish to utilize to reach and justify decisions” (2008:7); and (d) buffering, i.e. agents create barriers to principal monitoring by “promoting ‘dualist’ features in their own organization; the part of their organization that is most pleasing to outsiders is then developed publicly while the other part remains more hidden” (2006:210, see also Elsig 2007; Woll 2006; Bauer 2002).

Third, there are a few studies that focus on the ‘principal problem’. Basically, Thompson (2007) and few other PA students (e.g. Gutner 2005; Sokolowski 2001) maintain that PA literature has the tendency to be ‘agency-biased’ as PA scholars assume, *a priori*, that the agent is the only ‘problematic’ partner in PA relationships. Instead, Sokolowski points out that “principals can also exploit their agents, with inefficient outcomes as a result” (2001:545). In a similar vein, Thompson calls attention to the fact that “just as agents can undermine their principals’ interests, principals can undermine agents who are faithfully pursuing agreed-to goals” (2007:9) while Gutner asks "what if the problem comes from the delegation side, in the sense that the principals are delegating tasks that do not easily conform to the institution’s mission and internal incentive systems, or are simply very complex and difficult to carry out?" (2005:21-2).

Thompson distinguishes between three types of what he calls the ‘principal problems’: (a) *principal shirking* occurs when the principals do not provide the agent adequate resources in order to carry out the tasks it was assigned to; (b) *principal*

drift arises when there is disagreement between the principals and as a consequence, the agent receive confusing or even contradictory signals from its principals; and (c) *principal subversion* happens when individual principals take action (usually the powerful ones) and attempt to weaken the agent (2007: 9-10). Following the same line, Gutner takes notices of two problems related to delegation complexity. First, on the macro-level, she identifies the problem of ‘mission creep’ – “the mushrooming of new institutional goals without a corresponding reduction in old goals” (2005:21). Second, Gutner acknowledges another problem - ‘antinomic delegation’ - which she defines as “delegation consisting of conflicting or complex tasks that are difficult to institutionalize and implement ” (Ibid:11).

Fourth, focusing specifically on PA analysis in EU Studies, we could see that in comparison to previous studies which mainly examine the interaction between the principals and the agent within the EU, i.e. giving emphasis to internal policies (Moravscik 1995; Thatcher 2001; Pollack 2003; Blom-Hansen 2005), there has been a shift towards using delegation theories and PA analysis in new policy areas - EU external relations/foreign policies. For instance, Delreux and Kerremans (2010) examine the PA relationship between the EU negotiator (Commission/Presidency as agents) and the EU member states (as principals) during multilateral negotiations (on trade or environmental issues). In their investigation, they aim to study how and why agents could influence the control exerted by the principals and conclude that agents could weaken the principals’ incentive to control by “strategically make use of the mechanisms that are established by the principals to control the agent during the international negotiations” (Ibid:372). Alternatively, looking at the relationship between the member states (principals) and the Commission (agent) during the WTO Doha Round negotiations, Da Conceicao-Heldt (2011) maintains that the Commission will enjoy high level of discretion when (a) among the principals there is preference heterogeneity with two camps of nearly equal size; (b) the agent receives vague mandate; and (c) principals give conflicting messages (see more in Woll 2006; Damro 2007; Billiet 2009; Dür & Elsig 2011).

However, noteworthy is the fact that the focal point of EU/PA analysts is mainly connected to (the former) first pillar issues (competition, trade, and environment) and deals with international negotiation scenarios. To some extent, the only exceptions are the studies by Dijkstra (2009) and Klein (2010). First, Dijkstra tries to theorize the role of the Commission in the Common Foreign and Security Policy (CFSP) while asking why EU member states have delegated tasks to the Commission in this field. Dijkstra's conclusion is that the main rationale behind the act of delegation is to bridge economic integration and foreign policy coordination.⁴⁶ Second, Klein (2010) examines the EU's civil-military crisis management policy with the aim of finding out what impact agents (Commission and the Council Secretariat) have on the conceptualisation and implementation of the policy. In her conclusions, Klein states that "on the one hand, there is remarkably high level of agent autonomy under the present conditions of vertical control"⁴⁷. On the other hand, though, the agency drift in EU crisis management is limited by strong mechanisms of horizontal control"⁴⁸ (Ibid:166). Also, another novel aspect in Klein's work is that it attempts to examine PA relationships not only during specific stages of international negotiations but also during the emergence and development of the policy (see also de la Porte 2008).

Following these tendencies, this project aspires to contribute to existing literature on the ENP as well as to development of principal-agent analysis. The added-value of the research to PA is (a) applying, testing and adapting the theory in a relatively under-researched area of EU foreign policy; (b) examining PA relationship during various stages of the policy development; and (c) analysing agency behaviour and influence but also looking at the principals' side.

⁴⁶ Dijkstra (2009), however, uses theories of delegation in general without concentrating on PA analysis.

⁴⁷ Agent-agent control.

⁴⁸ Principal-agent control.

2.4 PA and EU Policy towards the neighbourhood

Referring specifically to the literature on EU foreign policy towards its periphery, there are fewer examples for the use of PA. For instance, Emerson and others maintain that in the field of democracy promotion towards the neighbourhood⁴⁹, the member states could be seen as principals, while the Commission “is an agent that has been acquiring such extensive mandates and instruments of action that it partly turns into a principal in its own right” (2005:32). Whereas the above example just briefly mentions PA, Bodenstein and Furness (2009) provide a more comprehensive PA analysis. In their study on EU relations with the Mediterranean partners under the framework of the EMP and the ENP, they view the Commission as a principal while the Mediterranean partners are treated as agents. Moreover, they argue that the result of the current one-size-fits-all agreements is informational asymmetries. Thus, the Commission, as a principal, has difficulties to identify the partners who truly want to reform. Finally, they conclude that in order to find the ‘cheating’ agents, the Commission should offer two kinds of agreements to the partners: (a) based on low incentives for the unwilling partners; and (b) based on high incentives to the partners who are more committed to reform.

It is useful to discuss the study of Bodenstein and Furness (2009) in more detail since it utilises not only the same theory, but also the same case study. It is also worthwhile to mention that they situate PA approach under a different theoretical framework. Rather than using PA in its new institutionalist/RCI form, Bodenstein and Furness apply PA under the theoretical framework of the mechanism design theory and screening games. As such, in contrast to this study which deliberates on questions relating to delegation and post-delegation scenarios, they view PA relationship as “one actor – the agent – responds to an offer from another actor – the

⁴⁹ The term neighbourhood in this case includes not only the ENP countries but also the Balkan countries, Russia and Turkey.

principal – by behaving in a certain way” (Ibid:382) while the association agreements and the ENP action plans being that offer.

Similar to previous studies that were conducted on the ENP, Bodenstein and Furness also argue that the EU is having difficulties with the implementation of the ENP. However, the way in which they reached this conclusion and the solutions they offer are somewhat unsatisfactory. First, in their investigation, they do not make any distinction between the European Union, the European Commission and EU member states and also overlook the difference between the Association Agreements and the ENP Action Plans. I argue that this point of view is fundamentally problematic. On the one hand, concerning issues related to competences, it is rather difficult to situate the EU, the European Commission and EU member states in the same boat. On the other, we have to make a distinction between the Association Agreements and the ENP Action Plans since the former is an international agreement that constitutes the legal basis of relations between the EU and the ENP partner countries while the latter is only a political document that is not legally-binding. Second, they argue that the key problem is informational asymmetries, i.e. the Commission as a principal cannot differentiate between the willing and reluctant partners. This assumption is also highly questionable since (see 4.5) the Commission has been engaged in lengthy consultations with the ENP partners on the Action Plans and already at very early stages was able to identify the partners’ attitude towards the policy (e.g. Emerson et al. 2007; Interviews G, L, M, N, EU). Finally, the solution provided by Bodenstein and Furness is that the Commission will offer two kinds of agreements to the partners. Unfortunately, this is, politically speaking, an unrealistic scenario since it does not take into account the preferences of the member states and the cumbersome procedure of reaching such an agreement.

In order to address the research question on the influence of the Commission on the emergence and development of the ENP as well as to conceptualise the PA

relationship between the Commission and the member states, I argue that there is a need to adapt a broader perspective on delegation. Thus, it is necessary to include not only delegation of powers through Treaties and following major decisions taken by the IGC regarding Treaty amendments (à la Moravcsik's analysis of major events) but also secondary legislation (e.g. the ENP financial instrument regulation, European Council and Council's decisions) and other forms of 'soft delegation', i.e. non-binding acts (Pollack 2003; de la Porte 2008; Klein 2010). This point should be further clarified.

First, as will be explained in chapter four (see 4.2), during the ENP formulation stage, the Council delegated the task of conceptualising the policy to the European Commission (e.g. GAERC 2002a:10; Copenhagen Council 2002:7).⁵⁰ This form of agenda-setting is situated somewhat in between formal agenda-setting powers and informal agenda-setting as described in the literature. Principally, formal agenda-setting power is based on the right "to set the Council's formal or procedural agenda by placing before it provisions that it can more easily adopt than amend, thus structuring the choices of the member states in the Council" (Pollack 1997:121). Alternatively, informal agenda-setting is defined as the "the ability of a 'policy entrepreneur' to set the substantive agenda of an organization, not through its formal powers but through its ability to define issues and present proposals that can rally consensus among the final decision makers" (Ibid: Ibid).

On the one hand, one can argue that there are similarities between the ENP case and what is defined as formal agenda-setting. First, both types include an act of delegation where the member states delegate the Commission the power to initiate proposals. In the case of formal agenda-setting, the power to propose is Treaty-based while in the case of the ENP, it is based on a Council decision. Second, both share

⁵⁰ And at the very beginning, also to the High Representative.

the functionalist rationale for the act of delegation. In the case of formal agenda-setting, there are two key arguments as for why principals choose to delegate agenda-setting powers to an agent – to avoid endless cycling of policy proposals and to provide policy-relevant information to the principals (Pollack 2003:24-5). Referring to the ENP formulation stage, I maintain that the rationale for delegation is similar since the purpose is to use the Commission’s proposals to initiate and steer discussions among member states (Van Vooren 2009a, 2009b).

On the other hand, it could also be said that this type of delegation differs from formal agenda-setting because (a) the issue at hand is not the initiation of proposals for binding acts of legislation but rather submission of preparatory acts; (b) the ENP does not fall under the Commission’s exclusive right of initiative (following Art. 22 & 34 (2) TEU); and (c) voting is unanimous⁵¹ and thus does not connect to the adoption or amendment of voting rules which are the ‘bread and butter’ of PA analysis on the influence of the Commission as a formal agenda-setter.

One option might be to categorise this act of delegation as ‘research and advice’. According to Bradley and Kelly (2008), this type of authority allows the agent to collect information with the aim of providing its opinion and recommendation to the principals. As such, ‘research and advice’ competences are non-binding by nature (Ibid:15). However, from my point of view, it would be more accurate to view this form of agenda-setting power as “the capability to provide policy proposals upon request” or ‘soft agenda management’ (Klein 2010:50).

⁵¹ Although as Nervi points out “in the area of CFSP, when unanimity is necessary, voting is hardly used” (2011:38, see also Corbett et al. 2012).

Hence, the examination of the Commission's power to set the agenda for EU members actually resembles more the PA analysis on the role of the Commission as an informal agenda-setter and policy entrepreneur since the Commission needs to rely on its ability to "‘set the agenda’ by constructing ‘focal points’ for bargaining in the absence of a unique equilibrium or by putting forward policy proposals and matching those to pressing policy problems" (Pollack 2003:50). The main point is that the Commission, as an entrepreneur rather than formal agenda-setter, cannot depend on its formal powers if it wants to exert influence on a policy outcome.

Essentially, the role of supranational actors in general and the Commission in particular as an informal agenda-setter and policy entrepreneur (despite Moravcsik's intergovernmental reservations) is well documented in EU literature. Key empirical examples are the influence of the Commission during Intergovernmental Conferences and major reforms within EU institutional structure (e.g. Garrett & Weingast 1993; Sandholtz 1992, 1993; Pollack 2003). Against this background, Pollack maintains that "the question of supranational agenda setting in IGCs is not a binary question of influence or no influence...but a question of predicting the conditions under which supranational organizations like the Commission...are likely to be able to set the agenda for the member states" (2003:53).

Second, as we will see in chapters five and six (and to lesser extent also in chapter four), the Commission was delegated several tasks which primarily included the implementation of the policy and monitoring progress. In PA literature, the granting of authority to the agent to implement and monitor the execution of a policy is often described as one of the key reasons for delegation. It is argued that by giving an agent such powers, principals chiefly aim to enhance credible commitment (by relying on an independent agent to enforce compliance) or reduce transaction-costs (by relying on the agent's expertise) (Pollack 2003; Hawkins et al. 2006; Thatcher & Sweet 2002).

Nonetheless, similar to the ENP formulation stage, the type of powers delegated to the Commission by the member states during the implementation stage of the policy could be considered as 'soft' because they do not consist of legally-binding commitments. In addition, the Commission, as the agent that is responsible for the implementation of the policy and the monitoring of progress, does not have the competence to enforce member states' compliance.

Basically, under the ENP framework, the main instrument for implementation is the ENP Action Plans that are negotiated between the EU and each one of the ENP partners. The Action Plans are not international agreements⁵² but rather political documents that provide guidance for implementation of the ENP's objectives. Due to the characteristics of the Action Plans that include the identification of goals, agreed benchmarks, specific time-frame and monitoring procedures for implementation but also lack of legally-binding obligations⁵³; various scholars (Tulmets, 2006, 2007; Van Vooren 2009a, 2009b; Gänzle 2008) in the ENP literature draw attention to the similarity between the ENP and the characteristics of 'soft law' and the framework of the Open Method of Coordination (OMC), as the OMC "requires member states to agree upon firm guidelines and timetables for achieving common goals, developing benchmarks as tools for identification of best practice, transposing European guidelines into national reform agenda as well as monitoring procedures, evaluation and peer review" (Gänzle 2008:4).

Principally, 'soft' delegation does not attract much attention in the literature as scholars frequently base their analysis on more formal ways of delegation (i.e.

⁵² The legal basis of relations between the EU and the ENP partners are the Association Agreements signed with the ENP Southern partners and Partnership and Cooperation Agreements with the ENP Eastern partners.

⁵³ The characteristics of the ENP action plans will be further discussed in the empirical chapters of the thesis (see 4.6.2, 5.3.1, 5.8.2).

treaties, regulations and directives). However, we could find in the literature two main perspectives on the use of soft law that could be regarded as two sides of the same coin. First, taking the side of the principals, the use of soft law could be attributed to the fact that principals are unwilling to provide any further competences to their agent or adopt binding obligations, in the words of Schäfer - “governments shy away from delegation if they fear that supranational agents misuse their autonomy or if there is a deep disagreement. In these cases cooperation does not necessarily end but it may take the form of soft law” (2005:18, see also Pollack 2003). Second, from the agent’s point of view, the choice to use soft law instruments could be viewed as a strategy “in order to create precedent and establish Union competence in a wide range of policy areas which would not have gained member states' approval for more substantial policy initiatives” (Cram 1994:209-10, 1997).

In the ENP literature, the comparison between the Action Plans and soft law in general and the OMC in particular, focuses on the relations between the EU (no distinction is made between the Commission and the member states) and the ENP partners while the objective is usually to find out whether this type of governance might be effective in reaching the goals of the ENP. To a great extent, this perspective resembles the study by Bodenstein and Furness (2009) that was mentioned earlier in this chapter since the focus is on the EU as a principal while the ENP partners are viewed as agents. However, surprisingly enough, ENP scholarship completely ignores the PA relationship between the member states and the Commission and the fact that as much as the Action Plans are not binding for the partner countries, they are also not binding for the EU members. Thus, the Commission, which is responsible for the implementation of the ENP, does not have the legal competences to force the member states to cooperate. The purpose here is not to engage in an in-depth discussion about the topic of soft law within EU governance but instead, the aim is to highlight the fact that in all stages of the development of the ENP, the Commission, lacking substantial formal competences, has to use other means in order to attract member states' approval.

2.5 Summary

The European Union foreign policy towards the neighbourhood is by no means an under-researched field. In the previous sections of the chapter, I gave an overview on the different theoretical approaches that were assessed in order to analyse the EU's approach towards the neighbourhood. Yet, I argued that grand theories of IR, European integration or various mid-range theories leave some unanswered questions. As such, this study aims to use principal-agent analysis within the framework of rational choice institutionalism in order to shed new light on the events under analysis. The objective is not to claim that PA is the best theoretical framework to understand the ENP but rather to show how PA could provide us with a different point of view and new insights on the interaction between the Commission and the member states during the development of the policy; a relationship, which is often ignored by other theories and approaches.

Unquestionably, PA has come a long way since it was first applied to political science. Still, "it is strange, then, to see that at the same time surprisingly few attempts have been made to further refine this approach on a theoretical level when it comes to its application to European Studies" (Billiet 2009:436). Various EU scholars who took to the challenge of applying PA analysis in new areas of interest (international settings or analysing the emergence of a policy) admit that using traditional principal-agent analysis could be quite a challenging exercise (Billiet 2009; Damro 2007; De la Porte 2011).

Following the same line, the analysis of the development of the European Neighbourhood Policy provides us with the opportunity of testing PA assumptions in an under-developed policy area. What is more, it aims to illustrate that there is still much room for further engagement and analysis of PA in general and in EU Studies in particular.

Chapter 3: The ENP – analytical framework

“The mixture of scholarly background and presumptions, analytical locational contestation, variety of agents and instruments, wider analytical questions and methodological difficulties make studying the ENP both challenging and potentially interesting” (Manners 2010:32)

In the previous chapter, I introduced the theoretical framework of the research. I discussed the weaknesses and limitations of the existing body of literature that examines the ENP and how principal-agent could help us to reach a better understanding of the interaction between EU member states and the Commission. In addition, it can provide theory-driven explanations to the role the Commission has played during the various stages of the policy development.

The main research question guiding this study is: *‘What influence did the European Commission have on the emergence and development of the ENP?’* In this chapter, the focal point is the operationalisation of the research question while relating methodology to the study’s empirical and theoretical frameworks.

I will begin by identifying the key actors under the framework of the ENP and conceptualise those actors in PA terms. Then, I will discuss the time-frame of the study as well as justify the choice to divide the empirical case into three stages - formulation, finalisation and implementation of the ENP. The third part is devoted to the operationalisation of the research question and includes a discussion concerning the dependent variable. Thereafter, I introduce my research strategy (process-tracing) and elucidate how it fits the objectives of this research project. I then discuss the three research hypotheses while in the sixth part, I offer an overview on the data collection methods, discuss their strengths and weaknesses and explicate how each of them is being used in this study. And finally, a brief summary is provided.

3.1 Who? Introducing, defining and conceptualising the actors

Two key actors have been identified as being in the forefront of the analysis, the EU Member States, and the European Commission. For the purpose of the thesis, both actors are being treated as unitary actors.

Indeed, one might question the decision to treat the principals and the agent in general or the member states and the Commission in particular, as unitary actors (e.g. Waterman & Meier 1998; Kassim & Menon 2003; Graham 2013). In response, I acknowledge that the treatment (both in theoretical and empirical terms) of EU members and the Commission as unitary under the ENP framework is, to a degree, a simplification of reality. In the case of the Commission, different DGs (RELEX, Enlargement or Trade) or different units within DGs (geographical desks or Commissioner's Cabinet) might have different interests towards a specific issue while in the case of the member states, different ministries or political parties might also fight for influence (e.g. Jeandesboz 2007; Nervi 2011).

Yet, I am in agreement with Pollack who posits that “the question...is not whether the Commission and other organizations are genuinely unitary actors with monolithic preferences – of course, they are not – but rather whether these organizations behave with sufficient coherence vis-à-vis member governments and other organizations so that we can...treat them as unitary actors” (2003:36). Following the same line, Klein maintains that “the conceptualisation of an organisation as a unitary actor depends on the chosen level of analysis and on minimum identifiable organisational preferences at that level” (2010:35). Finally, in more practical terms, it is unmanageable to conduct an in-depth analysis on every single desk, unit, DG or ministry that is

connected to the case under study and thus, in order to carry out a feasible research, some simplification is required.⁵⁴

In addition, EU member states are defined as ‘collective principals’⁵⁵, i.e. “when an agent has a single contract with a principal, but the principal happens to be composed of more than one actor” (Nielson & Tierney 2003:247). The member states, as collective principals within the EU institutional setting, are represented in the forum of the European Council, the General Affairs and External Relations Council (GAERC), the Committee of Permanent Representatives (COREPER), and in the Council Working Groups (COEST for the Eastern neighbourhood and MAMA for the Southern neighbourhood).

Although the member states act as a collective during the act of delegation, this does not contradict the fact that it might be a situation where there are heterogeneous preferences within the collective (i.e. members have different preferences on a given issue) or individual members take action (e.g. initiating discussions concerning a specific topic of interest). Still, agency losses - “the fact that principals who delegate authority may not be able to act against an agent that is either not pursuing their interests to the extent that they want it to, or that even acts against their interests” (Kerremans 2006:175) - will be examined against the aggregated preferences of the member states.

As for the choice to concentrate solely on the relationship between the EU member states and the European Commission, some explanatory remarks are in order. For

⁵⁴ More on the topic of conceptualising the member states or the Commission as unitary actors, see Pollack (2003), Elgström and Larsén (2010).

⁵⁵ In comparison to multiple principals who have separate contract with the same agent.

instance, the European Parliament, despite its key role as an EU institution that holds a variety of competences concerning EU decision-making process in the external relations/foreign policy realm, is not framed in principal-agent terms.⁵⁶ The justification for this decision is that in the case of the ENP and pre-Lisbon Treaty, the EP did not gain enough legal competences⁵⁷ to have a real say in ENP. This position is also supported by the fact that almost no scholarly work on the ENP considered the EP as an actor.⁵⁸ What is more, almost all interviewees (from the Commission, EEAS, member states' Permanent Representations and even the EP) stated that the Parliament is not viewed as an actor in the ENP, in the caustic words of a national diplomat - "The Parliament plays a very limited role in the policy. Nobody cares what the EP thinks or does" (Interview E, MS).

In comparison to the EP, the High Representative (HR) does play a role in the ENP. First, as will be explained in chapter four (see 4.2), the HR took an active part in the formulation stage of the ENP, for instance, drafting, together with the Commission, the first blueprint for the policy (Solana & Patten 2002) and participating in the ENP Action Plans negotiations with the partner countries. Second, in the finalisation and implementation stages, the Commission worked in cooperation with the HR on issues related to political cooperation and CFSP. Consequently, we can find in the ENP literature a few studies that take into account the position of the HR as an actor in their analysis (e.g. Nervi (2011), and to a lesser extent Kratochvíl and Tulmets (2010)). Still, taking into consideration the broad cross-pillar nature of the ENP and given empirical data on the creation and development of the ENP, I maintain that the HR played a rather minor role in comparison to the Commission. Thus, in contrast to Klein (2010) who devotes a great deal of attention to the interaction between the

⁵⁶ For instance, as a political principal (Kelemen 2002).

⁵⁷ Also given that the Action Plans are only political documents and not international agreements. One important exception is the EP's competences in the co-decision process regarding the budget.

⁵⁸ Kratochvíl and Tulmets (2010) could be seen as an exception.

European Commission and Council Secretariat (as competing agents) in the field of civil-military crisis management; I conceive the HR as an agent who competes with the Commission over influence only in the very beginning of the ENP formulation stage.

Referring to the ENP countries, in the ENP literature one can find a precedent with which scholars conceptualise the Commission as the principal while the ENP countries are treated as agents (Bodenstein & Furness 2009) or more generally, models where the Commission acts as an agent for the member states and a principal for (usually) recipient countries (e.g. Gutner 2005). Thus, a small modification to Bodenstein and Furness' model within this study entails the inclusion of the member states. In other words, creating a model where the Commission will act as an agent to EU members (as collective principals) and a principal to the ENP partners (multiple agents).

Still, I believe that there is limited added-value in this kind of investigation. For the most part, the ENP is seen in the literature as a unilateral policy whose objective is making ENP partners more 'European' (i.e. market liberalisation, democratic values). The conclusion that ENP countries (as agents) are not willing to cooperate given the low incentives and the political risks for the ruling regimes is not ground-breaking. What is more, the topic of conditionality and incentives, especially regarding the EU's (lack of) offer of future EU membership, and their effect on the transformation of the ENP partners were extensively covered by existing ENP literature. Instead, I argue that a significantly more attractive exercise includes exploring the relationship between the Commission and the member states, as they are (at least pre-Lisbon) the key players who determine the course of the policy.

Ultimately, this study is in line with Klein's (2010) position that “an actor’s conceptualisation as ‘principal’ or ‘agent’ (or both) depends on a study’s research interest” (Ibid:32). Certainly, focusing only on the member states and the Commission as actors while conceptualising them as two unitary actors that engage in a ‘simple’ PA relationship is not entirely accurate, empirically speaking. However, for the purpose of this study, adding unnecessary actors to the analysis or designing complicated chains of delegation seem to be counterproductive since it makes the research unfeasible or shifts the focus towards other directions, as Gutner (2005:27) rightly argues:

“Scholars risk getting carried away by pointing out all the different areas where one actor is delegating to another; such as voters delegating to Congress, which delegates to Treasury, which delegates to the US Executive Director at the World Bank, which contributes to delegation (via its role on the board) to Bank management and staff, which delegate to consultants and recipient country ministries, which delegate to specific project managers, and so on.”

3.2 When? Discussing the scope of the research

As for aspects relating to this study’s scope, Waltermann and Meier argue that “agency theory posits a dynamic process of interaction between principals and agents” (1998:176). In a similar vein, Tallberg points out to the fact that “P–A relationships are seldom static. Rather, delegation tends to be an on-going process, in general, as well as in the EU case” (2002:36, see also Pollack 1997; Franchino 2001; de la Porte 2008). Thus, instead of focusing on a specific point of time (e.g. the negotiations on the ENP Action Plans) the analysis of the ENP is a diachronic one.

In this research, the greatest attention is given to the time-period between 2002 and 2009.⁵⁹ The rationale behind choosing 2002 as the starting point of the analysis is

⁵⁹ However, for reasons of providing an historical overview of EU relations with ENP partners and given the fact that the legal basis of the ENP is based on previous agreements which were signed before the creation of the policy; the study’s scope is slightly broader.

that it marks the official beginning of the ENP formulation stage. As for the decision to limit the analysis' time-frame to 2009, the reasons are twofold. First, since the research strategy is process-tracing⁶⁰, which involves in-depth investigation of the case under scrutiny, there is a need to limit the scope of the study because it would be otherwise unfeasible. Second and equally important, following the Treaty of Lisbon which entered into force in December 2009, there were fundamental changes to the institutional structure of EU foreign policy/external relations. These changes also mean a change in the institutional balance of the ENP (e.g. Joint Communications COM 200 final, 2011; COM 303, 2011) by introducing a new agent(s) to the equilibrium, namely the European External Action Service (and the European Parliament). Additionally, as the focal point of this research is the interaction between member states (principals) and the Commission (agent), I decided to limit the scope of the research to 2009.

The case study is divided into three sections which consist of the three empirical chapters in the thesis. The first section covers the time-period between January 2002 and April 2004 and is defined as the ENP formulation stage. It begins with the British proposal to establish a new policy in January 2002 (Straw 2002) and ends with the final discussions within the Council which took place between March and April 2004. The second section focuses on the time-period between May 2004 and December 2006 and is defined as the ENP finalisation stage. The finalisation stage begins with the Commission's ENP Strategy Paper (COM 373 Final, 2004), which is the key point of reference in the ENP and ends with the Commission's first mid-term report (COM 726 final, 2006). The third section examines the time-period between January 2007 and December 2009 and is defined as the ENP implementation stage.

⁶⁰ The topic of process-tracing will be explained later in the chapter (see 3.4).

While I have already discussed the reasons why the study's scope ends at the end of 2009, there is still a need to explain why the third section begins in January 2007. Essentially, in January 2007 the ENP became fully operational as the regulation regarding the European Neighbourhood Partnership Instrument (ENPI) – the ENP financial instrument – entered into force and thus replacing the existing financial instruments for the Neighbourhood (MEDA for the South and TACIS for the East).

3.3 Research variables and the ENP – looking for answers in PA literature

On the grounds that PA analysis is being used as the theoretical framework of this study, we need to operationalise the research question in PA terms. However, the operationalisation of the research question proved to be a rather challenging exercise. First, regardless of the vast amount of studies dedicated to PA analysis, there are only a few scholars who actually engage in comprehensive discussion on their research design and the operationalisation of their research variables (e.g. Pollack 2003, Franchino 2007; de la Porte 2008; Klein 2010). Second and equally important, this investigation differs, to some extent, from the conventional analysis on the relationship between principals and agents.

The thesis aims to analyse PA dynamics between the Commission (as an agent) and the member states (as principals) while focusing on agency behaviour and agency influence. Nonetheless, can we simply view influence, defined as independent causal role (our dependent variable) as agency discretion? Essentially, agency discretion or agency autonomy is defined as “the net of initial delegation minus the administrative and oversight mechanisms established to limit shirking” (Epstein & O'Halloran 1999:109). Following the same line, Thatcher and Sweet define what they call the ‘zone of discretion’ as “the sum of delegated powers (policy discretion) granted by the principal to the agent, minus...the sum of control instruments, available for use by the principals” (2002:5, see also Hawkins & Jacoby 2008).

In their seminal work, Epstein and O'Halloran (1999, for the American case) and Franchino (2001, 2007, for the European case⁶¹) develop models which measure discretion, i.e. measuring the number of major provisions in a legislative act that delegate executive powers to the agent out of total number of provisions (delegation ratio) against the number of constraints imposed on the agent out of the total number of constraints⁶² (constraint ratio). Still, looking at the research question, it seems that choosing these definitions and this kind of measurement for agency discretion as a dependent variable limits the research focus since it means that we assume, *a priori*, that the scope of the agent's ability to influence is restricted to the control mechanisms available to the principals. Moreover, the central point of these models is the delegation act (rather than agency behaviour) as they aim to reveal under what conditions principals decide to delegate or how and why discretion varies across policy areas, type of legislation or according to the rationale for the delegation act.

Finally, these models view the delegation act in a rather limited perspective as their unit for analysis is laws and do not take into consideration non-binding and non-inclusive types of delegation, especially in the area of agenda-setting (Klein 2010). For example, in the case of Franchino (2001, 2007), the sample is 158 major EC laws that have been adopted since 1958. Yet, even Klein (2010), who incorporates a more comprehensive understanding of delegation in her analysis on the impact of EU agents on crisis management, operationalises her study by measuring the level of impact against agency discretion (delegation minus constraints) for specific actions that the agent fulfils (agenda-setting, operational planning and external representation). Against this background, I am in agreement with Bauer that in the existing PA literature there is "an implicit theoretical tilt towards controllability" (2002:384). By the same token, Hawkins and Jacoby maintain that "principal

⁶¹ See also Pollack (2003).

⁶² In the case of Epstein and O'Halloran (1999), they identify 14 constraints while Franchino (2001) discusses 12 constraints updated to the EU system (e.g. Comitology) and Pollack (2003) chooses only three out of Franchino's 12 constraints.

preferences and control mechanisms alone cannot fully explain which agents principals end up hiring or how those agents act once hired” (2006:200, see also Delreux & Kerremans 2010).

This is not to say that control mechanisms are not of importance to PA analysis in general and also to this study. The fact is that one of the main reasons why scholars decided to shift from the analysis of agency behaviour to the examination of the delegation stage is the difficulty to determine whether we witness a runaway bureaucracy or an obedient servant. In other words, whether a lack of sanctions means that the agent complies or the principals fail to control, whether autonomous behaviour of the agent is genuine or the principals just hide their real preferences, or whether the agent acts in a certain way because it rationally predicts the preferences of its masters; these are the infamous rules of anticipated reaction and observational equivalence (e.g. Pollack 2003; Moravcsik 1995; Schmidt 2000; Damro 2007; Dür & Elsig 2011).

Then again, I maintain that primarily focusing on the delegation act, principal control and agency discretion do not provide the researcher with the whole picture on PA interaction and agency behaviour and/or ability to influence a political phenomenon. In other words, the argument here is that agents, as opportunistic, competence maximisers and strategic players (Kiewiet & McCubbins 1991; Cram 1997; Pollack 2003; Hawkins & Jacoby 2006) can use the leeway provided by the delegation act **as well as** other ways/strategies in order to pursue their preferences.

This situation is also present in the case of the ENP as it is a non-legislative policy and the Commission, which was delegated with various competences (mainly ‘soft’ in nature), does not have the legal power to force the member states to oblige and the decision of how far should the ENP go lies upon a unanimous decision by the

Council. As noted in chapter two (see 2.4), this holds true for the ENP formulation stage as well as for more advanced stages in the policy development. In both cases, the Commission has to rely on other ways apart from its formal delegated powers (whether it is soft agenda-setting or soft powers for implementation and monitoring) in order to pursue its preferences and push forward its proposals. Thus, the investigation aims to explore the Commission's influence on the ENP during all stages of the policy development as a derivative of the Commission's strategies to influence while primarily but not exclusively focusing on its role as an informal agenda-setter and policy entrepreneur. However, as Bradley and Kelly argue that "informal agenda-setting power may be the consequence of other forms of delegation" (2008:15), I find it necessary also taking into account the zone of discretion in which the Commission operates.

To simplify this point considerably, rather than working according to the conventional PA equation, i.e. $\text{discretion} = \text{delegation} - \text{control}$, I maintain that we should examine influence as $\text{influence} = (\text{delegation} - \text{control}) + \text{agency}$ behaviour/informal strategies. Consider the following example – whereas an agent's obligation to submit a review on the implementation of a policy could be viewed as a part of the delegation act that restricts the freedom of the agent (*ex-post* control), at the same time the agent could make an attempt to use the review process to push its proposals in a certain direction (see for example Krause 2003; de la Porte 2008). Therefore, I reject the dichotomy that one should focus only on the act of delegation (discretion) or solely on agency behaviour (strategy). In this sense, the analysis in this research does not focus on 'why delegate' and 'how to control' questions, but rather on how the principals and the agent interact during the process of policy development, i.e. before, during, and after the act of delegation took place.

In the previous section, I reviewed how I conceptualise influence but it is also essential to explain what is meant by agency influence on the ENP as this might

sound quite abstract. The issue to be raised here relates to the agent's preferences, or generally speaking – what do agents want? Basically, this study draws on the body of literature which views the agent in general and the Commission in particular as a rational and strategic actor who does not only aim to enhance its powers, i.e. competence maximiser (e.g. Cram 1994; Pollack 2003; Hawkins & Jacoby 2008; Klein 2010; da Conceição-Heldt 2011), but also to enhance the power of the Union, i.e. an integrationist agent (Garrett & Tsebelis 1996; Pollack 2003; for critical analysis see Hug 2003). However, in comparison to previous studies that examined the Commission's integrationist agenda (e.g. in the case of EU Internal Market), the ENP case does not refer solely to integration within the EU but also between the EU and third countries, namely the ENP partners.

Notwithstanding the foregoing, it is worthwhile to take into consideration an alternative view on the Commission's preferences. Based on the largest survey ever conducted of the Commission officials, Kassim et al. (2013) provide evidence that call into question the prominent view in the literature (and within the public sphere) that the Commission is a competence maximiser and an integrationist institution. Essentially, the data gathered in the survey shows that "there is no universal desire for more Europe" (Ibid:122) and "[d]esired change appears highest for policies that are least centralized, though this is not a consistent trend" (Ibid: Ibid).⁶³ Moreover, on the view that the Commission is a competence maximiser, Kassim et al. posit that the Commission's desire for more competences is "driven by functional imperatives - centralization where scale economies can be reaped - and by personal and political values rather than a generalized or instinctive preference to maximize Commission power" (Ibid:281).

⁶³ As an example, Kassim et al. (2013) point out to the fact that European Commission officials are not keen on centralising social policy, although it is one of the most decentralised policy fields in the EU.

Taking into account the different views on the Commission's preferences, I would argue that, at the end of the day, the question whether the Commission should be seen as a competence maximiser/integrationist agent or not needs to be examined against the empirical data.

There is also a need to clarify the statement that this study analyses the Commission's influence on the ENP, i.e. influence on what exactly? For the purpose of this study and drawing on de la Porte's (2008:36) conceptualisation of mapping the development of the OMC, I refer to the agent's ability to influence the scope of the ENP and its institutional design. Essentially, the examination of the Commission's influence on the scope of the policy focuses on the political objectives which were agreed under the framework of the ENP; this consists of the geographical scope of the policy, the policy-areas which are included and the level of integration which is being suggested. In this context, I also include what de la Porte called 'setting the policy direction'⁶⁴ – i.e. "the action taken...that defines or changes the political direction" (2008:43). Alternatively, by institutional design, I refer to formal and informal rules which define the role of the actors (i.e. both principals and the agent) during the formulation and development of the ENP.

Finally, as for the topic of measurement, I follow Pollack in taking up the challenge of examining agency behaviour notwithstanding the methodological concerns associated with the problem of 'observational equivalence' (2003:60-1). Pollack posits that using quantitative methods might not be most efficient tool to provide the investigator with a comprehensive understanding of the interaction between the principals (member states) and the agent (the Commission). Put differently, analysing Comitology votes or legislative sanctions as a strategy to empirically test PA assumptions regarding agency behaviour will not necessary give the researcher

⁶⁴ De la Porte (2008), however, uses this concept only in connection to EU member states (principals).

all answers concerning agency autonomy and its influence on the principals (2004:222-3). Instead, Pollack advocates for the use of in-depth qualitative investigation and maintains that the best strategy is “to conduct systematic case studies and engage in careful process-tracing” (Ibid:223) while Damro underlines the importance of conducting “systematic expert interviews in order to identify trends in the preferences of relevant principals and agents” (2007:900). The use of case studies and process-tracing will not only help the researcher to establish the preferences of the member states and the Commission but also provide better understanding about how they influence each other.⁶⁵ Pollack admits that the use of case studies might not be as immaculate as quantitative analysis but it does not prevent the researcher to choose their selection of case studies while ensuring variation across the independent variables (2003:68).

Indeed, the decision to measure the variables (dependent or independent ones) in this research in qualitative terms could be contested; after all, it does not provide rigorous and decisive results in comparison to quantitative research in general and to the PA/RCI literature which is typically characterised by the use of quantitative methods of analysis. Thus, a qualitative approach “is often dismissed as ‘too subjective’ because assessments are not made in terms of established standards” (Dey 1993:14-5). Yet, Dey posits that this standpoint “implies an unnecessary polarization between the different types of data. We have to consider the reliability and validity of whatever measures we choose” (Ibid:15, see also Della Porta & Keating 2008). Along the same lines, Schmitter argues that the fact that the academia attaches higher status to quantitative studies is rather unfortunate as “it has encouraged researchers to attach numbers to variables when the validity of their connection with the designated concept was dubious” (Schmitter 2008:283). Schmitter continues by saying that “you

⁶⁵ According to Pollack (2004), counterfactual analysis and finding conflicts between principals and agents are also strategies that might be of use.

can assign a number to anyone and anything; but nothing guarantees that the assignment will produce relevant information” (Ibid:284).

Clearly, ensuring reliability and validity of the research, even if conducted in a qualitative way, is of great importance. Then again, it is important to bear in mind that there is also a limit to certainty, in the words of King et al.: “In both quantitative and qualitative research, we engage in the imperfect application of theoretical standards of inference to inherently imperfect research designs and empirical data” (1994:6). For the purpose of this research, I rely on Dey who states that “my dictionary defines ‘valid’ as ‘sound’, ‘defensible’, and ‘well-grounded’ and despite the more technical interpretations of validity in social science, this is as good a definition as any” (1993:236). Thus, as I will explain in the rest of this methodological chapter, process-tracing as a research strategy (Pollack 2003), triangulation as a technique for data collection (Mathison 1988; Schmitter 2008), elite interviews as data collection method (Damro 2007) while interviewing both principals as well agent’s representatives (Delreux & Kerremans 2010), are all ways I utilise in order to increase the soundness of my research findings.

Against this background, the use of case studies and process-tracing as a research strategy is the focal point of the next part of this chapter while the topic of expert interviews as a data collection method (among other methods) is further discussed later in the chapter.

3.4 The ENP, process-tracing and a within-case investigation

Simply put, process-tracing is "the minute tracing of the explanatory narrative to the point where the events to be explained are microscopic and the covering laws correspondingly more certain" (Roberts 1996:66, in Gerring 2004:348). Nonetheless,

in comparison to historical research, process-tracing can be much more than an excellent in-depth storytelling since it “converts a historical narrative into an analytical causal explanation couched in explicit theoretical forms” (George & Bennet 2005:211, see also Checkel 2005; Vennesson 2008). Moreover, it is a useful tool for testing evidence against theory predictions (theory testing) or contributing to theory (theory developing) (George & Bennet 2005; Vennesson 2008). Finally, process-tracing encourages bridge building by, for instance, linking rational choice and social constructivism theories or between positivism and interpretivism (Checkel 2006; Vennesson 2008; George & Bennet 2005).⁶⁶

Still, it is noteworthy that process-tracing, just like any other research strategy, has some drawbacks. For instance, the conclusions drawn following the use of process-tracing might be ill-informed in a situation where there is no broad access to data or the theory being utilised is indeterminate (George & Bennet 2005; Vennesson 2008). Alternatively, Checkel (2006) maintains that this research strategy is very time-consuming due to the enormous amount of information one needs to examine. Consequently, the researcher faces the question of how much data is enough and how micro should one go. In addition, Checkel (Ibid, 2005) argues that process-tracing views the real world in a rather simple and abstract way while students who examine the micro, could overlook normative/ethical context or lose sight of the bigger picture.

Taking the above under consideration, I argue that the use of triangulation of data sources (i.e. official documents, secondary analysis and elite interviews⁶⁷) aims to solve the problem of lack of relevant data. Referring to the issue of indeterminate

⁶⁶ For an excellent discussion regarding the strengths and weakness in using process-tracing see Checkel (2005).

⁶⁷ Data collection methods will be discussed in the last section of the paper (see 3.6).

theory, I posit that the theoretical framework which is utilised in this thesis (PA) is a mid-range theory, which in the last 15-20 years has been extensively used in IR as well as EU Studies. What is more, PA, in fact, enjoys various advantages in comparison to the grand theories of IR and European integration (Pollack 1997; Doleys 2000).

Concerning the question of how micro should one go, there were some external factors (e.g. confidential documents) which limited, to a degree, the amount of data I was able to analyse. More importantly, I limited myself in the data collection process as I only focused on the most significant data which is related to my research questions. Thus, I paid less attention, for example, to some documents that do not have direct connection to my PA analysis (e.g. EP reports). As for the criticism about the way process-tracing simplifies reality, I think that instead of seeing it as a disadvantage, it could be, in fact, a significant advantage and from the same reason I chose PA as my theoretical foundation. Put differently, the European Union is an exceptionally complex political entity and it is rather unmanageable to conduct a comprehensive analysis on every part of it. Finally, there are normative inquiries such as (a) does the EU impose its values on its periphery? (b) Can one argue that EU members are realist actors whereas the Commission acts in an idealist way? (c) Are security and stability for the EU more important than the promotion of human rights and democratisation? Significant as these questions may be; they are still not connected to the research focus of this study and there are numerous scholars who focus on these normative questions (e.g. Smith 2005; Cremona & Hillion 2006; Zaiotti 2007; Hyde-Price 2008).

Moving on to the use of process-tracing in ENP scholarship, ENP students, more often than not, focus on the policy and its effectiveness rather than providing an in-depth systematic investigation of its development. As such, Nervi's (2011) investigation is the only available example for the use of process-tracing in ENP

literature. Yet, it is important to mention that even in Nervi's case, the objective for using such a strategy is not testing theoretical assumptions and "the method used here is very much problem, not theory, driven" (Ibid:22). Nonetheless, it was pointed out earlier that Pollack (2003) advocates the use of process-tracing as a strategy for identifying the preferences of the both the principals and the agent as well as investigating how they influence each other (see also Tallberg 2002). Following the same line, various PA scholars decided to use process-tracing in their studies (Klein 2010; De la Porte 2011; Elsig & Dupont 2012; Elsig & Pollack 2012).

In contrast to previous PA studies which were based on a large data-sets (e.g. Franchino 2007) this study focuses on one case - the development of ENP. In this respect, the use of process-tracing is valuable since it is a research strategy which centres on a within-case analysis (Bennet & Elman 2006; Ruback 2010). As my investigation is based on a single case, employing process-tracing allows me to disaggregate the number of possible observations and thus overcome the $n=1$ problem (King et al. 1994:227, see also Lijphart 1971; Pollack 2003; Nielson & Tierney 2003; Gerring 2004). Another point in the context of disaggregating the number of observations is the fact that the Union for the Mediterranean, the Eastern Partnership, and to some extent the Euro-Mediterranean Partnership, are all included as a part of the investigation. If the main focus is the ENP, what kind of role do the other policies play in the analysis? First of all, it is almost impossible to isolate one policy from the other. For instance, referring to the Southern ENP partners, the legal basis of their relations with the EU and the institutions that govern these relations are based on the AAs, which were signed under the framework of the EMP. Another example is the fact that the policies share the same financial instrument (ENPI). Finally, for the purpose of this research, the UfM and EaP are considered as regional policies under the umbrella of the ENP rather than completely separated units for analysis.

Furthermore, process-tracing is described as a research strategy which “attempts to identify the intervening causal process – the causal chain and causal mechanism – between an independent variable (or variables) and the outcome of the dependent variable” (George & Bennet 2005:206). In respect to this study, rather than just stating that I am using process-tracing as a research strategy, I would argue that a more accurate description is what Beach and Pedersen (2013) refer as theory-testing process-tracing (see also Falleti 2006). Choosing to use process-tracing in this manner, the researcher

"deduces a theory from the existing literature and then tests whether evidence shows that each part of a hypothesized causal mechanism is present in a given case, enabling within-case inferences about whether the mechanism functioned as expected in the case and the mechanism as a whole was present" (Beach & Pedersen 2013:3).

Then again, it is noteworthy that Beach and Pedersen (Ibid) maintain that despite the fact the analysis starts as a deductive exercise, it might also encompass elements of induction as the research findings might generate new data and new understanding of the phenomenon under scrutiny (see also Bryman 2012:24).

In light of the above, I believe the theory-testing process-tracing as a research strategy fits impeccably to the study's objectives. On the one hand, the investigation of the Commission's influence on the ENP is based on a deductive approach. As such, prior to the empirical analysis, I establish my expectations of the Commission's behaviour by drawing from the theoretical assumptions of principal-agent theory. On the other hand, once the theoretical hypotheses are tested against the process-tracing evidence, the implications of the thesis' findings might result in new understanding of the evolution of the ENP as well as contribute to the development of PA theory.

In the following section, I discuss the various independent variables which were chosen for this research in order to investigate the influence the Commission had on the emergence and development of the ENP.

3.5 What could affect the Commission's influence in the ENP case?

As for the independent variables, Pollack (2003:51-2) recognises four key conditions that affect the influence of a supranational agent that acts as an informal agenda-setter:

1. Information asymmetries, uncertainty and imperfect information
2. Distribution consequences
3. Transaction-costs of negotiating alternative policies and waiting
4. Policy networks and subnational actors

Essentially, I decided to focus only on the first three conditions while omitting the fourth condition from the analysis. The reasons for this decision are twofold. First, the empirical data on the ENP do not provide strong evidence to the role of policy networks and subnational actors during the emergence and development of the ENP.⁶⁸ Second, notwithstanding the aforesaid, there is still a possibility to conduct research on the ENP and, for instance, policy networks. This kind of analysis might be very useful if we aim to examine the ENP as a polity (see for example Lavenex 2008; Tulmets 2007). However, the research focus is on the principal-agent relationship between the European Commission and EU Member States and the

⁶⁸ This situation might change following the development of the ENP in the last couple of years (especially since the Arab Spring) and the strong emphasis that is placed by the EU on the inclusion of other actors (e.g. civil society) to the work on the ENP.

effect of this relationship on the development of the ENP. As such, no specific attention is given to other actors.⁶⁹

Finally, as I will explain in the following paragraphs, I chose to merge the second and third conditions. Finally, while the above conditions relate to the influence of an agenda-setter on policy outcome, I added a third independent variable that scrutinises the influence of the Commission during various policy stages.

At this point, there is a need to explain how these variables were used in the existing literature and what the traditional expectations from using these variables are. In the words of Héritier: “In order to validate a hypothesis empirically, all variables mentioned in the hypothesis need to be defined and operationalized, specifying among other things the time and space conditions under which the proposition is expected to hold” (2008:64).

3.5.1 Information asymmetries, uncertainty (and imperfect information)

Information plays a prominent role in PA scholarship as it is connected not only to the rationale behind the act of delegation, but it also represents a key reason for agency losses. First, information constitutes one of the main reasons for delegation. Principals delegate authority to an agent because they lack specific information (including expertise) possessed by the agent. Pollack highlights that “the existence of imperfect information - or, more specifically, legislators' need for policy-relevant information-is perhaps the most important transaction-costs cited by rational choice scholars as justification for the delegation of powers” (2003:29, see also Doleys 2000; Thatcher & Sweet 2002). Yet, it is important to bear in mind that information,

⁶⁹ More on choosing and conceptualising the key actors in the analysis, see 3.1.

or to be more specific the asymmetric distribution of information is also one of the key reasons for agency problems, in the words of Kerremans: “Agency losses – and the related costs – are rooted...in information asymmetries” (2006:177, see also Moe 1984; Tallberg 2002). Two problems that are extensively mentioned in PA literature are those of hidden information/adverse selection and hidden action/moral hazard (Kiewiet & McCubbins 1991). The problem of adverse selection refers to a situation in which “the principal does not know the precise preferences and skills of the agent and therefore does not know how effective the agent will be, how hard the agent will work, nor whether the agent shares the principal’s goals” (Thompson 2007:6). The moral hazard problem “arises when agents, once selected, have incentives and opportunity to take unobservable action contrary to the principal's interests” (Strøm 2003:86). Hence, while the former problem relates to pre-delegation (*ex-ante* opportunism) stage, the latter occurs at the post-delegation (*ex-post* opportunism) stage (Gilardi 2001).

The same holds true in the case of uncertainty. Put differently, uncertainty, like information, plays a role in the analysis of the act of delegation as well as concerning the possibility of agency losses. Regarding the cause of delegation, scholars maintain that in cases where principals are working in an environment characterised by high level of uncertainty, they will be more open to the possibility of granting discretionary powers to an agent. In the words of Bendor et al. “the value of delegating, relative to not delegating, increases in policy uncertainty” (2001:244, see also Epstein & O’Halloran 1994; McCubbins & Page 1987; Thatcher & Sweet 2002). Moreover, policy uncertainty could be, in fact, a result of principals’ lack of information (Huber & Shipan 2000; Versluys & Orbie 2006). As for agency losses, PA students also point out that there is a possibility that agents might exploit the fact that the principals are struggling with uncertainty in order to shirk, thus, for example, Hawkins et al. argues that the principal could be situated in “environmental uncertainty that renders it difficult for the principal to assess the agent’s effort” (2006:24, see also Waterman & Meier 1998).

It is worthwhile to clarify that although the concepts of information asymmetries and uncertainty are closely interconnected, they do not represent the same thing. For instance, the principals could face uncertainty as they do not possess the relevant information or expertise like their agents. However, rather than a cause of superior access to information, uncertainty could be also related to the actors' inability to foresee the consequences of their actions.⁷⁰

In the context of informal agenda-setting, informational aspects and uncertainty also constitute important factors. Key empirical evidence which is mentioned fairly often in the literature is the establishment of the European Strategic Program on Research in Information Technology (ESPRIT). The case of ESPRIT provides a vivid illustration of the Commission's ability, as a supranational actor, to provide political leadership and act as a policy entrepreneur in an environment characterised by uncertainty and imperfect information (Sandholtz 1992; Peterson 1992). Other examples of the Commission's power to influence as an informal agenda-setter are the integrated Mediterranean programs during the 1980s and Delors Commission's programme on the Internal Market (Pollack 1997, 2003; Bicchi 2007). Then again, the cases of the 1991 IGC on the Political Union or the later stages in the development of ESPRIT could be viewed as evidence that once the member states have more information and clearer preferences regarding the issue at hand, the Commission's ability to influence is weakened considerably (Peterson 1992; Pollack 1997). Thus, a Commission official summarises the difference between the above examples by saying:

“Before we could count on being ahead of other people strategically. We knew what we wanted and they were less clear, partly because they didn't believe that anything much would follow from the decisions we asked them to make. Now they know that we mean business and they look for all the implications of our proposals. There are huge numbers of new things on the

⁷⁰ In this context, both the principals and the agents could face uncertainty.

table and it will be much tougher going from now on” (Ross 1995:137, quoted in Pollack 2003:54).

In view of the above, Pollack (2003), drawing on the work by Kingdon (1995), maintains that the influence of a supranational agent acting an informal agenda-setter “should be greatest where information is imperfect, uncertainty about future developments is high, and the asymmetrical distribution of information between the agent and the principals favours the former” (Pollack 2003:51). Essentially, John Kingdon’s (1995) seminal work on policy entrepreneurship identifies the conditions under which a policy entrepreneur could emerge. According to Kingdon, the mixture or ‘coupling’ of three ‘streams’, namely (a) the problems stream - problem have to be recognised, (b) the policy stream – policy solutions and alternatives must be proposed, and (c) the political stream – the decision-makers are willing and capable to take action; creates a situation for a ‘policy window’ to open. In this moment, a policy entrepreneur could arise. Kingdon argues that although an entrepreneur could emerge in various environments, it should possess three qualities. First, it should be heard. In other words, to be taken seriously, entrepreneurs should have expertise, be able to speak for others (as leaders) or have an important position within the decision-making structure. Second, entrepreneurs should be known for their negotiation abilities or political connections. Third, entrepreneurs should be persistent, investing their time and resources in order to reach their goals. In addition, Kingdon points out that it is not enough for the entrepreneur to be persistent in their proposals but there is also a necessity to be patient and wait for the right opportunity, i.e. the opening of a policy window (Ibid:180-1).

Pollack (2003) applies Kingdon’s assumptions in a European context and argues that the Commission, although not the only actor who could act as an entrepreneur⁷¹,

⁷¹ The member states, for example, could also be in a position to act as policy entrepreneurs.

possess the above qualities, is well situated to act as a policy entrepreneur (e.g. its already existing agenda-setting powers) and thus even could have a comparative advantage over other competing agenda-setters (Ibid:51, see also Krause 2003). In addition, another important aspect that Pollack borrows from Kingdon's 'garbage-can' model is the assumption of 'imperfect information'. This stands in contradiction, for example, with Garrett and Weingast's (1993) study where the informal agenda-setter (in their case the ECJ) works under conditions of perfect information and comprehensive rationality. Still, the existence of a situation where the principals face imperfect information is already embedded in PA and rational-choice scholarship as RCI scholars argue that principals work within bounded rationality and thus "acting on the basis of available rather than full information. Even if government principals realise that the supranational institutions they set up and empower are likely to develop their own private agendas, they are unable to foresee the exact shape of the strategic setting" (Tallberg 2002:37, see also Doleys 2000; Aspinwall & Schneider 2000). As such, for the purpose of this study, the assumption that principals are situated in an environment of imperfect information is taken as a given and not as a part of a variable.

The existence of information asymmetries and uncertainty are a different story though, which brings us back to the topic of measurement. The problem of measuring the dependent variable (influence) is reflected in the case of the independent variable (information asymmetries and uncertainty), where there are some methodological challenges. Discussing the problem of measuring abstract concepts, Pollack contends that "attempts to measure informational intensity or uncertainty in quantitative terms invariably encounter a *proxy problem* in the sense that scholars are driven to rely on proxy indicators that provide precise numbers for statistical analysis, but at the risk of measuring something *other* than uncertainty" (2003:63). A good example is the comparison between Franchino (2000), Wonka and Rittbeger (2010) and Huber and Shipan (2002). The fact is that Franchino (2000) operationalises uncertainty by measuring the word length of legislation, Huber and Shipan (2002) on the other hand use the same measurement to measure control while

Wonka and Rittberger (2010) utilise this measurement to show policy complexity. Pollack, for his part, decides to reject the use of quantitative proxies and bases his investigation on “a broad classification of scientific and technical issues, together with foreign and defence policies, as the most likely to require extensive technical expertise” (2003:63).

Noting the aforesaid and following Pollack, I decided to view this variable in qualitative rather than quantitative terms in testing the following research hypothesis:

H I: The influence of the Commission will be greater in a situation where the member states face uncertainty and information asymmetries favouring the Commission

In the case under analysis, namely the influence of the Commission on the ENP, I hypothesise that in a situation where (a) the member states face high level of uncertainty regarding the ENP and, (b) the Commission has an informational advantage over the member states; the Commission, as an informal agenda-setter will have greater influence on the development of the ENP. On the other hand, I hypothesise that in a situation where (a) the member states are more certain and have clearer preferences about the ENP, and (b) the informational advantage which the Commission possess is decreased; the Commission, as an informal agenda-setter will not be able to gain much influence on the development of the ENP.

Finally, a few words about how I approached the measurement issue in qualitative terms. As previously mentioned (see 3.4), I conduct in-depth qualitative investigation while using process-tracing as my research strategy. Referring to information, I take into account two different kinds of informational advantage. First, I look for informational asymmetries originated from the act of delegation. In other words, examining which control mechanisms were established in order to avoid problems of

hidden-action and whether they worked properly. Second, I also consider informational asymmetries rooted in the Commission's experience and technical expertise. In this context, Commission's expertise could be gained from previous experience (e.g. the accession process or previous engagement with the partners). In addition, the Commission can establish expertise and technical knowledge as it might be tasked to produce information (e.g. in the forms of proposals and reports). Concerning the issue of uncertainty, I examine the empirical data with the aim of finding evidence which show whether the member states had clear/unclear preferences towards the ENP's scope, its objectives, its institutional design, its *finalité* as well as uncertainty regarding the consequences of implementation and its chance of success (or the chances of alternative proposals). In this respect, I pay attention to (a) official documents (e.g. COREPER documents) which reveal member states/Commission's positions towards the issues mentioned above, (b) the information provided by interviewees from EU institutions as well as from national representations, and (c) secondary sources which discuss this topic.⁷²

3.5.2 High transaction-costs of negotiating alternative policies and waiting

Transaction-cost is considered as a central element in PA analysis since it represents the basis of the functional argument for the act of delegation. In other words, principals decide to delegate competence to an agent in order to lower their transaction-costs. The reduction of transaction-costs could take various forms of delegation, for example in facilitating cooperation and solving problems of collective action and credible commitment, monitoring compliance, reducing costs of negotiations, solving problems of incomplete contracting, using agent's expertise and improving efficiency of policy implementation (Keohane 1984; Epstein & O'Halloran 1999; Tallberg 2002; Pollack 2003).

⁷² In addition, the type of delegation could also offer evidence of member states' uncertainty. For example, EU members tasking the Commission with the submission of proposals or reviews which will guide them as to how to proceed.

In addition, the importance of time was also recognised in the literature as a reason for delegation. In policies where there are high transaction-costs due to the slowness of the policy-making process or areas where there is a need for a rapid decision-making process, principals could delegate competences to ensure a quick and effective decision-making. In this context, Pollack maintains that “delegation of executive powers to the Commission offers the prospect...of speedy and efficient decision-making that would otherwise be impossible to achieve through the complex and super-majoritarian legislative procedures in place at the EU level” (2003:106). As examples for the delegation of powers due to the high transaction-costs rooted in the slow pace of the legislative process, Pollack (2003) mentions agriculture and fisheries policies while the 1992 internal market programme is recognised as an example where a rapid decision-making process was required. In the literature, we could find other examples of areas where time is of essence such as the humanitarian aid domain (Versluys & Orbie 2006) and crisis management (Klein 2010). Finally, Pollack (1997) argues that in the case of formal agenda-setting, the question of time and impatience could work both ways, i.e. depends which actor (the principal or agent) is more eager to pass a legislative act.

Similar to the first hypothesis, also in this case we could find two concepts (i.e. transaction-costs and waiting) that are interrelated but do not represent the same idea. As mentioned above (for example with crisis management), the costs of waiting could result in an increase of transaction-costs. However, it is important to bear in mind that there are cases where transaction-costs are independent from the costs of waiting and *vice versa*. For instance, the principals' transaction-costs of negotiating a mixed-agreement⁷³ with third countries (i.e. Association Agreements) are not

⁷³ Essentially, mixed-agreements could be seen as a relatively complex form of international agreement, in the words of de Baere (2008): "Nothing is simple when mixed agreements are concerned" (Ibid:240). For instance, the negotiation process involves transaction-costs as the cross-pillar nature of mixed-agreements and the lack of clear negotiation procedures require very close cooperation between and within EU Institutions. One could also mention the significant transaction-costs of the ratification process since mixed-agreements have to be ratified by the Community as well

necessarily connected to the costs of waiting. Alternatively, the costs of waiting could take a more abstract form which is not directly connected to transaction-costs. For example, the principals might be eager to reach an agreement, make a decision or launch a policy at a specific time, due to political reasons such as an electoral timetable. For example, there might be a case where the Commission's mandate and Presidency are nearing an end and a Commissioner or President wants a policy 'win' before demitting. In the same vein, the EU member states might wish to reach an agreement with a 3rd country before the end of term of the ruling regime as there might be a chance that the new government would be more reluctant to sign an agreement with the EU.

Referring to the role of the agent as an informal agenda-setter, Pollack, again relying on Kingdon (1995) and to some extent also on Garrett and Weingast (1993), posits that "a supranational entrepreneur may influence policy outcomes by constructing focal points for principals who might otherwise encounter high costs in reaching an agreement among themselves, particularly if those principals are impatient to reach an agreement" (2003:52).

Let us consider every element of this hypothesis and its connection to the ENP. I will start with the end, i.e. the topic of impatient principals. Basically, the idea here is quite similar to the scenario where within a formal structure of delegation, agents might exploit the fact that their principals are impatient to reach an agreement. Put differently, in both cases of agenda-setting (formal and informal), the agent, facing impatient principals, is able to enjoy more influence and pass its proposals. How would we assess impatience during the development of the ENP? In this case, I mainly rely on elite interviews with EU officials and national representatives who

as by the member states' national Parliaments (not to mention to involvement of the European Parliament) (Ibid; see also Eeckhout 2011).

took an active part in the decision-making process during the time-period investigated in this thesis and/or possess unique knowledge about the case under study. Another important source is the Communications produced by the member states-principals (Council decisions, Presidency conclusions, COREPER documents, etc.). Analysing this primary data, I look for any comment that could suggest that the member states were impatient to reach a decision or move things forward. One example is when the EU members declare that they would like some action done ‘as soon as possible’. Along the same lines, I also look at the Communications originated from the Commission-agent in order to examine whether the Commission put pressure on the member states to make a decision in a timely manner. Finally, I examine whether previous studies on the ENP took notice of issues relating to the member states' impatience.

Moving on, the high costs of reaching an alternative agreement is an interconnected element which allows informal agenda-setters to be more influential. As we have seen, principals delegate power to an agent in order to economise transaction-costs. In the case of informal agenda-setting or policy entrepreneurship, the ability to pass a proposal depends on other alternatives available to the decision-makers as they are “looking over the terrain they would have to traverse and the land mines strewn in their path” (Kingdon 1995:151). The costs of alternative proposals could involve different kinds of aspects. Kingdon ascertains various costs or what he calls ‘constraints’ which should be taken into account by decision-makers in a scenario where there is a need to choose between different alternatives, namely: technical feasibility, value acceptability, public acquiescence, politicians’ receptivity, and budgetary stringency (Ibid:184-6).

By the same token, Garrett and Weingast (1993) identify the effect of distributional consequences on the influence of an informal agenda-setter (see also Tallberg 2003). However, in contrast to Pollack (2003) who differentiates in his hypotheses about

informal agenda-setting between the transaction-costs of negotiating alternatives/waiting and the distributional consequences, I decided to merge the two together as both are connected to costs in the broader sense. Put differently, Pollack hypothesises that influence of an informal agenda-setter will be greater when there are small distributional consequences to the principals in comparison to other alternatives. In my opinion, stating that small distributional consequences in comparison to alternative proposals or high transaction-costs of alternative proposals will grant the agent with more influence represent a rather similar idea. Thus, my second research hypothesis is as follows:

H II: The influence of the Commission will be greater in a situation where the transaction-costs of alternative policies and waiting are high

What does it mean in the case of the ENP? Essentially, the influence of the Commission, as an informal agenda-setter will be greater in a situation where other options of action are less tempting (i.e. more costly) for the member states. In this respect, transaction-costs of alternatives options could be viewed in several ways. High transaction-costs, for example, could be the complicated decision-making procedures associated with the ratification process of an international (mixed) agreement with a third country (in comparison to signing a political memorandum), or with the acceptance of a third country as a candidate country for EU membership. Alternatively, high costs could also be related to the implementation of costly instruments or objectives, for instance aligning the neighbouring countries with the *acquis communautaire* (regardless of the question of future membership) and offering the four freedoms (people, services, products and capital) to partners.

The last point to consider is how the Commission, as an informal agenda-setter, is able to find the right proposal that will be accepted by all EU members, or what Garrett and Weingast (1993) call a ‘focal point’. Drawing on Schelling (1980), Garrett and Weingast (1993) aim to examine how actors decide to take one specific

path, among many, towards cooperation. According to Schelling, focal points can bring negotiation to a successful closure as they have “intrinsic magnetism of particular outcomes, especially those that enjoy prominence, uniqueness, simplicity, precedent, or some rationale that makes them qualitatively differentiable from the continuum of possible alternatives” (1980:70).

Building on Schelling’s concept of focal points, Garrett and Weingast (1993) argue that in a situation where a problem could be solved in numerous ways with no effective way to decide which solution is the best one, the power of ideas comes into play. Thus, Garrett and Weingast posit that institutions, in addition to providing information to decision-makers, could “help construct a shared belief system that defines for the community what actions constitute cooperation and defection” (Ibid:176). In their case study, they show how mutual recognition of how the internal market should work acted as a focal point in the cooperation between the ECJ and the member states within the European Community legal system.⁷⁴ As such, Garrett and Weingast’s perspective diverges from the traditional models of formal agenda-setting and rational choice (Ibid:176, see also Pollack 2003:50).

With that in mind, I decided to examine focal points in their two forms. I argue that the Commission, as an informal agenda-setter/policy entrepreneur, could simply act as mediator or broker between the principals in the Council. But I do not reject the idea that the Commission, in an attempt to pass its proposal, could also try to construct focal points as an ideational action and thus I use Garrett and Weingast (1993) in order to “link the rational (and benefit/utility maximisation) logic that explains the agent’s behaviour with an ideational action” (de la Porte 2008:41). To some extent, these forms are described by Bicchi (2007) as ‘the entrepreneurial

⁷⁴ For other studies discussing focal points see for example Blom-Hansen (2008), Elsig and Dupont (2012).

broker' vis-à-vis the 'norm entrepreneur' or 'true believers'. At the end of the day, Bicchi concludes, "the question about 'believers' versus 'brokers' is first and foremost an empirical one" (Ibid:30).

3.5.3 Stages of the policy process

The third and last research variable is specifically connected to examination of the Commission's role in different stages of the policy. Since the ENP literature devotes a great deal of attention to the policy itself, its difference or resemblance to other EU policies (mainly enlargement and the EMP) and its effectiveness, there are only a few scholars who distinguish between various policy stages or investigate the interaction between various actors in the ENP over time. For instance, in her study on the creation of the ENP, Nervi (2011) differentiates between three stages in the discussion on the ENP – (a) discussion mainly within the Commission (before 2002); (b) inter-institutional debate (between 2002 and 2003); and (c) discussion within the COREPER (between the end of 2003 to mid-2004). Alternatively, Pelerin (2008) distinguishes between four phases: (a) the Council as the main initiator (between 2002 and 2003); (b) the Commission as an agenda-setter (between 2003 and 2004); (c) the Council regaining control (first half of 2004); and (d) defining the procedural elements of the ENP (between the second half of 2004 to 2006).

The empirical analysis in this study is divided into three policy stages – formulation (2002-2004), finalisation (2004-2006) and implementation (2007-2009). In so doing, the study wishes to scrutinise the relationship between the principals and the agent according to the different stages of the policy development. This approach, to a large extent, is rather underutilised in PA scholarship as there are only a few studies that examine PA relationships during the emergence and development of a policy.

For example, Egeberg and Trondal (2011) study the relationship between EU-level agencies and national governments, national agencies, the Council, the European Parliament and the Commission with the objective of answering how EU-level agencies affect the European political-administrative order. Among other factors, they study how EU-agency managers perceive the influence of different actors during the policy formulation and policy implementation stages and conclude that “institutional influence is clearly patterned, as could be predicted, by the EU policy-making cycle” (Ibid:875). Alternatively, Klein (2010) studies the impact of the agents (Commission/Council Secretariat) on the conceptualisation and implementation of the civil-military crisis management policy between 1999 and 2008. Throughout her analysis, Klein focuses on three key functions of the agent (agenda management, operational planning and external representation) which she relates to the four phases of the policy cycle, namely (a) agenda-setting/planning, (b) decision-making, (c) implementing and (d) review.

However, a more relevant example is the investigation of de la Porte (2008, 2011) on the PA relationship between the Commission and the member states in the framework of the OMC. Taking the European Employment Strategy and the Social Inclusion Strategy as case studies, de la Porte develops two conceptual tools to support her empirical analysis. First, de la Porte differentiates between policy emergence and policy evolution. The emergence period covers the stages before the policy is fully institutionalised while the evolution period “refers to changes to policy objectives (change in direction of a policy) or to the institutional model (the creation of instruments or the adaptation of existing ones) after full institutionalisation” (Ibid:36-7). The second conceptual tool is the identification of various stages within the policy’s emergence and evolution periods. According to de la Porte, a stage is defined as “a significant empirical development in the formation of a political phenomenon” (Ibid:37).

The key objectives of de la Porte are to identify (a) who was the influential actor (the principal or the agent) in each stage of the policy, and (b) the main action taken in each stage (e.g. discourse framing, contract definition and shirking). De la Porte's rationale behind the decision to differentiate between different periods/stages is that "the Commission and member states interact in a PA logic, not only during the implementation and revision of a policy, but also when it is being initiated and shaped" (2011:488).

Moreover, as previously noted (see 3.2), PA scholars recognised the importance of time to PA analysis (Pollack 1997; Waltermann 1998; Franchino 2001; Tallberg 2002). De la Porte (2008:36) adds that in the analysis of the evolution of a policy, the stages of the policy's development are also of major importance as they happen under different logics and circumstances. Also, in the context of the OMC, de la Porte (2008:37) explains that because

"the OMC is soft and alterable, both its policy objectives and institutional model can be – and have been – modified throughout the processes of emergence and evolution. It is therefore imperative to consider time as a dimension along which to gather observations, in other words, as a dimension of variation per se."

By the same token, my analysis draws on de la Porte's work since (a) as previously mentioned (see 2.2.2, 2.4), the ENP and its soft institutional basis resembles the OMC and, (b) the objective is to understand PA dynamics between the Commission and the member states during various stages of the policy development. Yet, a few adjustments are necessary in order to fit the above conceptual tools to my case study.

First, I follow de la Porte (2008, 2011) in differentiating between initial and advanced stages of the policy process. However, whereas de la Porte identifies

various stages within each period⁷⁵, I focus broadly on the formulation, finalisation and implementation of the ENP without categorising specific events during these periods as ‘stages’ *per se*. Second, de la Porte incorporated all stages prior to the full institutionalisation of a policy under the umbrella of the emergence period.

Alternatively, this research distinguishes between two periods preceding the full institutionalisation of the ENP with the entering into force of the ENPI in January 2007 - the ENP formulation stage (2002-2004) and the ENP finalisation stage (2004-2006). Third, in comparison to de la Porte’s analysis on the OMC evolution period which brings to the fore the changes in policy objectives or the institutional model subsequent to the institutionalisation of the policy, my investigation examines the interaction between the EU member states and the Commission during the ENP implementation stage while focusing on the Commission’s ability to influence (and not necessary change altogether) the scope and institutional design of the policy during all three stages of the ENP’s development process.

What are the theoretical expectations on the influence of the Commission during various policy stages? Analysing the European Employment Strategy (EES), de la Porte (2008, 2011) hypothesises that the Commission’s influence, as an agent, will be greater in the initial stages of the policy in comparison to a stronger influence of the member states, as principals, once the policy was institutionalised, i.e. in more advanced stages. De la Porte operationalises her hypothesis by stating that high influence “is attained when an actor (Agent or Principal) uses the different strategies and instruments at its disposition, successfully accomplishes its aims during a stage of OMC formation” while low influence is described a situation where “an actor (Agent or Principal) has used different strategies and instruments at its disposition, but has been unsuccessful in achieving its aims during a stage of OMC formation” (2008:49).

⁷⁵ For example, five stages were identified in the emergence period of the European Employment Strategy and four stages were recorded during the evolution stage.

In her conclusions, de la Porte (2011) confirms her hypothesis and shows that one of the key reasons why the Commission was more influential during the emergence of the policy was that the EES did not pose a threat to the member states. However, as the policy developed, the member states became more involved in establishing control mechanisms (following agency shirking) but also in ‘setting the policy direction’. Therefore, de la Porte maintains that the interaction between the principals and the agent is not only related to questions of agency losses, competences and control but also to the question of who is guiding the policy development in political terms. Against this background, I aim to test de la Porte's assumption regarding the Commission's influence as my third research hypothesis is:

H III: The influence of the Commission will be greater in the initial stages of the policy rather than in more advanced stages of the policy development

In the case of the ENP, I hypothesise that the influence of the Commission will be the greatest during the ENP formulation stage and will decrease as the policy evolves (finalisation and implementation stages). Essentially, even though the Commission is dependent on a unilateral decision of the Council, it still has the possibility to influence the member states as an informal agenda-setter or based on its ‘soft’ agenda-setting competences. The Commission could issue reports, reviews, non-papers or strategy papers where it could articulate its ideas and preferences; and it indeed has done so in all stages of the ENP development.

The objective is to scrutinise all possible Communications produced by the Commission during the time-period under study and thereafter to examine member states' response. In this respect, I emphasise again that the focal point is not to examine variance in decision-making procedures and amendments rules as in the case of formal agenda-setting (Pollack 2003) or to quantitatively examine the number of amendments the Council approved following a Commission proposal (Franchino 2001). Instead, I rely on primary documents (e.g. European Council, Council and

COREPER documents), elite interviews and secondary sources to qualitatively assess to what extent the member states have agreed to comply with the Commission's proposals, in both political and institutional terms.

The last point concerning the third hypothesis is related to its added-value to the thesis. Essentially, I acknowledge that choosing to include this hypothesis in the analysis of the ENP can be challenged. For example, some might argue that the findings of the third hypothesis are, in fact, a function of the first two hypotheses on the influence of the Commission as an informal agenda-setter. In other words, they maintain that it is only natural that as the process moves from proposal to implementation, and once the policy is fully institutionalised (i.e. control mechanisms are in place), the informational advantage that the agent possesses will naturally decrease.

In response, while it may be difficult to have a clear-cut separation between the three hypotheses, and the argument that control mechanisms = decrease in information asymmetries = less agency influence is plausible, I contend that there is also a chance that during the ENP implementation stage, the Commission will acquire *more* information (and expertise) as it is responsible for collecting data, writing reports and monitoring progress (see also de la Porte 2008:47). Thus, the informational asymmetries could still exist and play a role in more advanced stages of the policy process. More importantly, I argue that this type of discussion brings us back exactly to the point that I made earlier in the chapter (see 3.3) – in order to understand PA relationships, we have to look beyond PA analysis as solely a matter of agency discretion and principal control.

Following the discussion about the operationalisation of the dependent and independent variables in qualitative terms, in the next section, I offer an overview on how I have collected my data for this research project.

3.6 Data collection methods – triangulation

The term triangulation was first used in the context of social science in Webb et al. (1966) and was further developed by Denzin (1970, 1978). Advocates of triangulation identify various advantages for its use. Webb posits that this strategy provides the scholar with “the most persuasive evidence and the strongest inference” (1970:450). Denzin argues that the use of triangulation “raise sociologists above the personalistic biases that stem from single methodologies” (1978:294). Alternatively, Payne and Payne state that triangulation is “a special case of ‘methodological pluralism’, a perspective that argues for an end to disputes about ‘the best method’ and the use of the ‘most suitable methods’ for the tasks in hand” (2004:230). Finally, and maybe most important in academic circles, Mathison affirms that “it is necessary to use multiple methods and sources of data in the execution of a study in order to withstand critique by colleagues” (1988:13).

Denzin (1978) distinguishes between four types of triangulation: investigator triangulation (multiple observers), theory triangulation (comparing theories), methodological triangulation (combining qualitative and quantitative methods), and data triangulation (combining different sources of data). For the purpose of this research I used data triangulation that is defined as the case when the investigator uses as many sources of data as possible in order to analyse an event (1978:295). Simply put, the rationale is that several observations are better than one and the researcher could get a more accurate picture (Bechhofer & Paterson 2000:57). In the context of this investigation, I relied on the use of primary documents, secondary literature and elite interviews.

Various scholars raise some concerns regarding to the use of triangulation. For instance, the problem researchers may face in analysing the large amounts of data produced from data triangulation; the fact that multiple investigators might increase, instead of decrease, the researcher bias; the use of multiple triangulation might be very time consuming and expensive; and the difficulty to combine in the analysis quantitative and qualitative methods or different theoretical frameworks (Denzin 1978; Thurmond 2001; Mathison 1988). Yet, I would argue that a key point to be addressed is the acknowledgement that "there is no magic in triangulation. The evaluator using different methods to investigate the same program should not expect that the findings generated by those different methods will automatically come together to produce some-nicely integrated whole" (Patton 1980:330, quoted in Mathison 1988:13, see also Blaikie 2001⁷⁶; Thurmond 2001; Denzin 1978).

3.6.1 Document analysis & secondary analysis

Referring to analysis of documents, I follow May's (1993) distinction between (a) primary, secondary and tertiary sources, (b) public and private documents, and (c) unsolicited and solicited sources. Essentially, this study uses (a) primary (analysing official documents⁷⁷), secondary (analysing prior research on the topic), and tertiary (inspection of the literature with the aim of finding sources that are relevant to analysis) sources, (b) the sources can be categorised as public documents and (c) the study uses unsolicited and solicited sources (official documents and scholarly work). However, "to say that one will use documents is to say nothing about how one will use them" (Platt 1981a:31).

⁷⁶ In fact, Blaikie (2001) criticises the use of the term triangulation in social science.

⁷⁷ By official documents, I refer to: Communications from the Commission to the Council, speeches of EU Officials, non-papers and other informal documents from the Commission/member states, EU treaties, political and legal agreements with partner countries, COEPER working notes, etc.

It could be argued that one of the key advantages of conducting qualitative document analysis is that the “understanding the significance of text is not just the word counting” (Payne & Payne 2004:54). Thus, even if many PA scholars employ quantitative methods in their investigation, there are, in fact, many other aspects that one could evaluate in a text. As such, qualitative content analysis “starts with the idea of process, or social context, and views the author as a self-conscious actor addressing an audience under particular circumstances” (May 1993:146, see also Miller 1997; Payne & Payne 2004). In this respect, the goal is to observe how different documents (produced by different actors, aimed for different audiences, or documents which needed various levels of official approval) refer to the case under analysis.

Essentially, there are several advantages to the use of document analysis as a research method. For instance, documents can be examined repeatedly; they can cover a lot of data (time, events); the researcher does not need documents, in comparison to persons, to communicate or to cooperate with, and the research does not have an effect on the documents themselves. As a result, there is less likelihood of bias (Webb et al. 1966; Yin 1994; Payne & Payne 2004).

Finally, there are advantages associated with secondary analysis. One advantage is that it saves time and money. For example, the investigator might encounter problems of funding and might not be able to collect primary data. Another example is when the investigator has problems of access to information and the only way forward is to use data that has been collected by others (Dale et al. 1988; Miller 1997; Payne & Payne 2004). One final advantage is the fact that secondary analysis grants the investigator the opportunity to re-analyse and re-visit the same data from a different theoretical point of view (Dale et al. 1988).

Still, there are a few limitations that one should be aware of when utilising document analysis. One limitation of document analysis is that the researcher is not able to control the amount of data and might encounter, for example, problems of data shortage (Platt 1981b; Yin 1994) or, in the case of secondary analysis, problems with the quality of the data (Payne & Payne 2004). A different problem is language - the fact is that occasionally, official documents, for instance COREPER notes or non-papers, will not be in English (most common examples are French, German, Italian and Spanish). However, a major problem, which relates to both document and secondary analysis, is context: documents are not produced in an isolated environment, i.e. one should not only concentrate on the text but also be aware of the identity of the author, the audience and generally the wider context (Platt 1981b; May 1993; Yin 1994; Hammersley 1997; Miller 1997; Bechhofer & Paterson 2000).

In the context of this study, while analysing primary sources like the European Commission's 'Wider Europe' Communication (COM 104 final, 2003), there are many aspects which should be taken into account, namely the authors of the document, the type or legal status of the document (e.g. speech, declaration, agreement or non-paper), to whom it was addressed and so on. In addition, while analysing secondary data like academic articles on the events under analysis, it should be clear that scholars approach the topic from different perspectives, using different theoretical frameworks and of course trying to answer different research questions.

3.6.2 Elite interviews

Interviews provide information that arguably cannot be accessed using document and secondary analysis. Moreover, linking interviews to the study's research strategy "the usage that is arguably most relevant to process tracing entails conducting elite interviews to establish the decisions and actions that lay behind an event or series of events" (Tansey 2007:766). As such, the interviews in this study are categorised as

elite interviews and consist of EU Officials and national diplomats (and a small number of scholars) who are also experts in their field (EU foreign policy). Finally, the interviewees are active participants in the decision-making process and possess unique knowledge, which is sometimes confidential (Desmond 2004; Lilleker 2003; Mason 2002; Goldstein 2002; Leech 2002a; Arksey & Knight 1999; Richards 1996; Dexter 1970).

Essentially, interviewees were identified as Officials who were actively involved in (a) the decision-making process that led to the establishment of the European Neighbourhood Policy, the Union for the Mediterranean and the Eastern Partnership or/and (b) involved in the implementation process of the policies. As such, the interviewees are mostly Officials from DG Enlargement, the European External Action Service (many of whom used to work in former DG RELEX), the Council, the European Parliament, and from Member States' Permanent Representations to the EU.

As for interviewees from the member states, unfortunately there was no opportunity to conduct interviews with all 27 member states' Officials and there was a need to decide on a sample, i.e. which members should be selected. It was decided that interviews would be conducted with Officials from EU members that have 'strong' preferences towards the policies under scrutiny. Members with strong preferences are defined as being active during the formulation, finalisation or implementation stages of the ENP. For the purpose of this study, their 'activeness' could take the form of letters to the Presidency, non-papers, declarations, etc.). As such, the member states that were represented are: Germany, France, Sweden, Spain, Poland, and the UK (and to lesser extent Finland and Lithuania). The rationale behind choosing member states with strong preferences was the assumption that the Representatives from these member states would not only be more informed about the ENP but also more willing to discuss it. Moreover, in order to decrease the possibility of selection bias

the above EU member states represent (a) old and new members, (b) big and small members, and (c) members from different regions (e.g. Northern and Southern Europe).

Two research trips were conducted. In June 2012, a first series of interviews with EU Officials and scholars was conducted with a total of 12 interviews while a second series of interviews was conducted in February 2013 and consisted of 18 interviews. The reasons for conducting this first wave of interviews are twofold. First, it allowed me to identify the Officials who were part of the development of the ENP and possess unique knowledge regarding the actors' preferences or concerning the events under scrutiny. Due to the EU's policy of regularly changing the positions of its personnel and because of difficulties of gaining access, the 'snowball effect' has proved crucial (a) to identify the relevant interviewees for this study, (b) to gain access to new information, e.g. restricted documents.

In reference to access of interview respondents, various scholars have discussed the problems with gaining access to elites (Harvey 2009; Dexter 2006; Aberbach & Rockman 2002; Goldstein 2002; Herod 1999; Ostander 1995). Once identified, the interviewees were contacted by email. I clarified the purpose of the interview (Harvey 2009; Lilleker 2003; Goldstein 2002; Richards 1996) and asked if there was any possibility to meet them. Furthermore, a key factor to gain access was the use of the 'snowball effect' (Richards 1996; Goldstein 2002; Tansey 2007; Harvey 2009) i.e. asking the interviewees after the interview whether they can provide access to some 'problematic' interviewees or even suggest new contacts, who were not identified at earlier stages of the study and might provide useful information regarding the ENP. Also, it is important to mention that due to frequent rotation in position in Brussels, I have encountered some problems in finding Officials (mostly from member states' Representations) who were working on the ENP during the

time-period scrutinised in this study.⁷⁸ As a solution, there were several occasions where I had to rely on previous studies that focus on national positions towards the ENP.

Furthermore, given that some of the issues being analysed in this study might be of a sensitive nature (e.g. discovering conflicts between the Commission and the member states or between the member states themselves), it was decided that interviews would not be recorded (Peabody et al. 1990; Yin 1994).⁷⁹ Instead, I took notes during the interviews and once the interview was done, I looked for a quiet location as soon as possible with the aim of taking further notes while the data was still fresh in my memory (following Dexter 2006; Lilleker 2003; Peabody et al. 1990).

As for the type of the interview, scholars most often suggest that elite interviews should be semi-structured with open-ended questions. This structure provides both the interviewee and the interviewer the option to be flexible throughout the interview, for instance, with the questions' order as well as with the length of the replies (Harvey 2009; Dexter 2006, Aberbach & Rockman 2002; Berry 2002; Leech 2002b; Puwar 1997; Ostander 1995). Against this background, Berry maintains that "the best interviewer is not one who writes the best questions. Rather, excellent interviewers are excellent conversationalists" (2002:679).

Referring to the interview protocol, I based it on a few key questions while including some themes that I added to each question (following Mason 2002; Rubin & Rubin

⁷⁸ More on methodological challenges of doing research on the ENP see Kratochvíl and Tulmets (2010:53-61) and Manners (2010:30-2).

⁷⁹ For alternative views regarding the use of tape-recorder during interviews see for example Dexter (2006), Aberbach and Rockman (2002).

1995; Peabody et al. 1990). At the beginning of the interview, I started with a few broad questions and once I managed to gain rapport and flow of discussion, I moved on to engaging with the more sensitive topics (Mason 2002; Leech 2002b; Richards 1996; Rubin & Rubin 1995; Peabody et al. 1990).

Informed consent was established during the first contact phase. The research topic, the research purpose and the usage of the data were explained to the interviewees (following Mason 2002:80-1). Ethical issues, such as confidentiality, were also discussed at the beginning of each interview. Furthermore, it was made clear that the interviews would not be recorded and everything that the interviewees said would be 'not for attribution' (Goldstein 2002). In addition, a minimum amount of information on the interviewees is provided in this study, with the intention of protecting their confidentiality and anonymity. Thus, in the thesis, I only give reference to the interviewees' institutional affiliation, i.e. whether they are member states' diplomats (i.e. Interview, MS) or EU Officials (i.e. Interview, EU).

3.7 Summary

The chapter has provided an overview of the analytical framework of the research project. First, I identified the key actors in the ENP and conceptualised them in PA terms. Moreover, I discussed the time-frame of the research while explaining how and why I separated the ENP into three main stages – formulation, finalisation and implementation. Then, I turned to discuss the dependent variable (influence) while engaging with PA literature with the intention of adapting and operationalising it to fit my research focus. Following the discussion concerning the research strategy (within-case analysis and process-tracing) and explaining the choice of measuring variables in qualitative terms, I introduced the three independent variables and the three research hypotheses: The Commission influence will be greater (a) when the member states face uncertainty and there are informational asymmetries favouring the Commission; (b) the member states face high transaction-costs of alternatives and

waiting; and (c) in the initial stages of the policy. Finally, I discuss the data collection methods and how they were utilised in this study.

In the next chapter of the thesis I begin with the analysis of the empirical data while focusing on the first stage of the ENP development, namely the formulation stage.

Chapter 4: Once upon a time – the ENP formulation stage

“I want to see a ‘ring of friends’ surrounding the Union and its closest European neighbours, from Morocco to Russia and the Black Sea” (Prodi 2002b:4)

This chapter is the first of three empirical chapters that analyse the ENP. Following a brief overview on EU relations with its neighbouring countries ‘pre-ENP’ provided in chapter one (see 1.1.), the focal point of this chapter is the formulation stage, which took place between January 2002 and April 2004. To remind the reader, the research question is: *What influence did the European Commission have on the emergence and development of the ENP?* The objective of the chapter is to carry out an in-depth qualitative analysis while deductively testing the hypotheses established in chapter three (see 3.5). Using process-tracing as its research strategy, it provides a detailed and diachronic account of the EU decision-making process and interaction between the EU member states, acting as principals, and the Commission (and to some degree the HR), which acts as the agent.

In so doing, the first part of the chapter discusses how the ENP formulation stage was initiated. The second part examines the mandate given to the Commission and the HR as agents. The focal point of the next part is the Wider Europe paper which constitutes the first detailed Communication concerning the ENP. Thereafter, the fourth part elaborates on the next stages of the ENP formulation once the Commission’s Wider Europe proposal was endorsed while the fifth part focuses on the Commission’s talks with ENP partners and the subsequent reaction from the member states. The penultimate part assesses the Commission’s influence on ENP formulation stage while testing PA assumptions against the empirical analysis. In the final part of the chapter, a short summary is provided.

4.1 The beginning – pre delegation stage

The ENP formulation stage has been often described as initiated by the United Kingdom (UK). On January 28th 2002, the British Secretary of State, Jack Straw, sent a letter to Josep Pique, the Spanish Foreign Affairs Minister (Straw 2002).⁸⁰ In the letter, Straw sought “to raise concerns about the EU’s relationship with its future neighbours following enlargement (Ukraine, Belarus and Moldova)” (Ibid:2). In order to find answers to problems and challenges like illegal immigration, poverty, cross-border crime and trafficking, Straw suggested offering these countries “clear and practical incentives in return for progress on political and economic reforms” (Ibid:3). Specifically, the incentives being offered could take the form of a special status, which entails “trade liberalisation, a closer relationship on JHA and border issues, and a privileged political dialogue including deeper co-operation on CFSP” (Ibid: Ibid).

The rationale behind the British step was not discussed to a large extent in the literature. However, according to Nervi (2011:72-3), there are several reasons why the UK decided to propose the initiative. First, Nervi mentions the close relationship that developed bilaterally between the UK and Ukraine. Second, the UK was concerned about the negative effects (e.g. crime and immigration) of the 2004 enlargement. Third, following the Spanish Presidency, there might be a fear in the UK concerning the overemphasis that will be given by Spain to the Mediterranean region (e.g. Spanish Presidency 2001). Therefore, there was a need to counterbalance the Spanish Southern priorities with an initiative towards the East.

Referring to the possible timeframe, Straw stated that “this is not an issue we need to decide next week or next month” (2002:3). In addition, he offered to put the idea in

⁸⁰ At that time Spain held the EU Council Presidency.

motion “with the aim of Commission ideas being presented to the GAC⁸¹, perhaps as a Communication to the Council, at some point in the Danish Presidency⁸²” (Ibid: Ibid).

The first reaction to Straw’s idea came from Sweden. On March 8th, the Swedish Foreign Affairs Minister, Anna Lindh, and the Trade Minister, Leif Pagrotsky, also sent a letter to the Spanish Presidency (Lindh & Pagrotsky 2002). The letter expressed the need not only to concentrate on Belarus, Ukraine and Moldova but also to consider and re-examine the current and future relations with the entire neighbourhood (including Russia and the Mediterranean). According to Lindh and Pagrotsky, the focal point of cooperation between the EU and its neighbours should be on issues such as trade and economic co-operation as “there is no better way to underpin peace and security than economic development and economic integration, apart from continuing and strengthening the political dialogue” (Ibid:2).

Furthermore, Lindh and Pagrotsky pointed out that since the EU’s Common Strategies towards the neighbours (i.e. towards Russia, Ukraine and the Mediterranean countries) have not been effective enough and in any case would soon expire, a new approach should be formed. Thus, they offered to formulate a “Common Strategy with a horizontal approach, focusing on how to integrate the Union’s new immediate neighbours into a European economic and social partnership based on existing and future free trade agreements and/or the adaptation of partner countries to selected parts of the internal market acquis” (Ibid:4). Nonetheless, that is not to suggest that the new approach would replace existing policies and agreements with the neighbouring countries (e.g. the AAs and PCAs) but rather reinforce, develop and complement them. As for the recommended next steps, they proposed

⁸¹ GAC – General Affairs Council.

⁸² In other words, until June 2002.

that the discussion about potential changes would continue in the near future at the Council.

Against this background, we could say that the first step in the formulation stage was set off by one principal, namely the UK, with the aim of creating a policy towards the Eastern neighbours. The Swedish perspective on the neighbourhood differs, to some extent, from the British point of view as it brings to the forefront the importance the EU attaches to the neighbourhood while the latter is more security-oriented and sees the neighbourhood as a threat. Moreover, the Swedish proposal extensively expands the scope of the initiative from a very limited focus on Eastern Europe to the inclusion of the Mediterranean partners.⁸³ Finally, it is worthwhile to mention that both letters were circulated among the principals (i.e. EU foreign ministries and delegations) as well as to the Commission. The Commission, however, was yet to be actively involved in the process.

4.2 The first stage of delegation

At the GAERC meeting on April 15th 2002, the new initiative was placed for the first time on the Council's agenda. In its conclusions, the Council tasked the Commission and the HR, Javier Solana, "to prepare contributions during the second half of 2002 on the possibilities for strengthening these relations, taking into account the different state of relations between the EU and the countries involved, as well as their level of political and economic development" (GAERC 2002a:10).

⁸³ Not to mention the Swedish call for the need to further develop the strategies towards the Western Balkans, the EEA countries and Switzerland.

4.2.1 Soft agenda-setting and multiple agents

The member states, as a collective principal, delegated agenda-setting powers to two agents, namely the Commission and the HR. This act is in accordance with Art. 241 TEU (Ex Art. 208 TEC) where “the Council... may request the Commission to undertake any studies which the Council considers desirable for the attainment of the common objectives, and to submit to it any appropriate proposals”, as well as with Art. 240 (2) TEU (Ex Art. 207 (2) TEC) – “the Council shall be assisted by a General Secretariat, under the responsibility of a Secretary-General appointed by the Council”.

The situation where principals delegate authority to more than one agent has been already discussed in the literature (e.g. Waterman & Meier 1998; Ferejhon 1999; Bendor et al. 2001; Damro 2007; Elsig & Dupont 2012). Ferejohn maintains that “competition among potential agents will induce each of them to offer contracts that are optimal from the principal’s viewpoint” (1999:136). In the context of the ENP, the delegation of authority to more than one agent might be attributed to the fact that the new policy will be based on a cross-pillar approach and thus “not only aimed at generating consensus among the member states, but also at smoothing cooperation between Community and intergovernmental measures” (Tulmets 2008:119-20).

As for the specific function of the delegation, I discussed in chapter two about the difference between formal and informal agenda-setting powers (see 2.4). Since the purpose here is initiating /steering discussions among member states rather than proposing legal-binding instrument/legislation (Van Vooren 2009a:703-4) and due to the fact that the initiative does not fall under the Commission’s exclusive right of initiative (Art. 22 & 34 (2) TEU), I choose to view this sort of delegation, following Klein (2010), as ‘soft agenda-setting’. Hence, I discuss the influence of the agent on the decision-making process as an informal agenda-setter and policy entrepreneur. The question is what are PA predictions concerning its role and influence?

Essentially, I established two hypotheses in chapter three which are related to the influence of the Commission as an informal agenda-setter (see 3.5.1, 3.5.2). My first hypothesis is that the Commission will enjoy a greater influence in a situation where the member states face uncertainty and there are information asymmetries favouring the Commission. The second hypothesis is that the Commission will enjoy a greater influence in a situation where the transaction-costs of alternative proposals and the costs of waiting are high. Finally, the third hypothesis does not relate explicitly to the role of the Commission as an informal agenda-setter but rather to its ability to exercise influence in accordance to stages of the policy process (see 3.5.3). Thus, I hypothesise that the influence of the Commission will be greater in the initial stages of the policy (i.e. the formulation stage) rather than in more advanced stages of the policy development. In the subsequent parts of the chapter, I explore whether the empirical data verifies the above hypotheses.

4.2.2 Cooperation and competition between entrepreneur agents

In a joint letter dated August of 2002, Solana and Patten offered a number of ideas regarding how the EU could strengthen its relations with its periphery (Solana & Patten 2002). First, they divided the neighbourhood into three groups: the Mediterranean, the Western Balkans and the Eastern neighbours. A second differentiation relates to the neighbours' prospect of future membership. In this respect, EU membership is a goal for the Balkans, irrelevant issue for the Mediterranean whilst the Eastern neighbours "fall somewhat uncomfortably in between" (Ibid:2). Although Solana and Patten continued talking about common objectives (e.g. stability, prosperity, shared values and rule of law) and measures to be implemented (e.g. political dialogue, economic cooperation and integration into EU policies) for all three regions, the bulk of the letter was devoted to discussion about the EU's relations with the Eastern neighbours.

In preparation for the GAERC meeting in September (17th & 18th), two additional meetings took place, first, on the Eastern Europe and Central Asia Working Group (COEST) level and second on COREPER level. During both meetings, Solana and Patten's letter was examined for the first time and the main elements of the new initiative (e.g. differentiation principle, instruments, the question of future membership, the name of the initiative) were discussed between the member states. Referring to the geographical scope, the "delegations agreed that the geographical coverage of the initiative should, at least for the moment, be limited to the three Eastern European countries, namely Ukraine, Moldova and Belarus" (COREPER 12260/02:2). Finally, the Commission offered to prepare a Communication as a basis for further discussion if the Council sees fit.

Solana and Patten presented their views on the new project at the GAERC on September 30th 2002. The central point of the discussion was the East although "it was also underlined that, beyond the question of Eastern neighbours, the broader question of "wider Europe" deserved consideration" (GAERC 2002b:8). Still, their suggestions were only briefly discussed and were met with a general lack of interest (Wallace 2003:5). It might be the case that at that time, EU members were occupied with the accession negotiation with the candidate countries as well as with various unresolved issues concerning EU-Russia relations (Johansson-Nouges 2007; Pelerin 2008). Nevertheless, the work on the initiative was still on track as "the Council tasked its relevant bodies to continue work on this issue with a view to conclusions being adopted at a forthcoming session and in the perspective of the European Council in Copenhagen" (GAERC 2002b:8).

The draft conclusions for the next GAERC meeting in November 2002 were discussed first on COEST Working Group level (November 7th), then on the Political and Security Committee level (November 12th) which forwarded its report to the

COREPER with a recommendation to adopt the conclusions as an ‘A’ item.⁸⁴ On November 18th, the GAERC concluded that “[t]he EU wishes to put in place further conditions which would allow it to enhance its relations with its Eastern European neighbours: Ukraine, Moldova and Belarus” (GAERC 2002c:12). Additionally, the Council highlighted the necessity of formulating “an ambitious, long-term and integrated approach towards each of these countries, with the objective of promoting democratic and economic reforms, sustainable development and trade” (Ibid: Ibid). The new initiative, according to the Council, would be based on a differentiation principle, i.e. “considering each country's distinct political and economic situation, potential and aims” (Ibid: Ibid). It was also mentioned that, based on EU’s experience with the new initiative, some elements might be used with other neighbours. Finally, the Council tasked the Commission and the HR to keep developing the initiative and “to prepare as soon as possible more detailed proposals on how to take this initiative further” (Ibid:13).

However, it is also important to take notice that except for their joint letter, both the HR and the Commission engaged in more individualistic actions. At the end of August, shortly before the joint letter was presented in the Council, Solana produced another document that was delivered to the political directors of the national foreign ministries and presented at the Gymnich Meeting.⁸⁵ The paper focused exclusively on the Eastern neighbourhood and offered three options for cooperation: (a) strengthening EU’s relations with the East based on existing frameworks; (b) creating a policy towards the East which would be based on the Northern Dimension; and (c) developing an ambitious approach which would include new kind of agreements with the Eastern neighbours. In response, the ministers approved further

⁸⁴ An “A” item is a dossier on which an agreement already exists, enabling it to be formally adopted without debate. http://ec.europa.eu/codecision/stepbystep/glossary_en.htm

⁸⁵ The Gymnich Meeting is the informal meeting of EU foreign affairs ministers.

work on the third option (i.e. developing a new approach) with the aim of introducing the new policy at the Copenhagen Council (Nervi 2011:80-1).

After Solana shared his ideas with the Foreign Affair Ministers, it was time for Romano Prodi, the President of the European Commission, to present his vision on the new initiative. First, on November 26th, Prodi argued that the Mediterranean region could be viewed “as a new area of cooperation, where a special relationship can be established within the context of a broader **proximity policy**, which will need to address the whole band of regions around the Union, stretching from the Maghreb to Russia” (Prodi 2002a:3, emphasis in original). Second, on December 5th, Prodi discussed “the need for a new political perspective on relations with our southern and eastern neighbours” (Prodi 2002b:3). Also, during his speech, Prodi coined the phrase “sharing everything but the institutions” (Ibid:7), i.e. the possibility of third countries to integrate with the EU in almost every possible aspect with the limit of being a part of EU institutions.

Actually, following Prodi’s speeches, numerous observers were caught off-guard by the fact that a modest initiative towards the East has become (a) a grand strategy, and (b) towards the entire neighbourhood (Johansson-Nouges 2007:26). Although there is no evidence in official EU documents to suggest that the principals (i.e. other member states except Sweden) favoured the expansion of the geographical scope to the South, several interviewees confirmed that there was pressure from Southern EU members to include the Mediterranean countries in the policy and thus “protect their clients in the South” (Interviews F, O, EU). Various scholars also maintain that some member states (e.g. France, Spain and Italy) had indeed advocated for the inclusion of the Southern neighbours (e.g. Missiroli 2003; Comelli et al. 2006; Zaiotti 2007; Edwards 2008).

In fact, Prodi's idea to create a policy for the whole neighbourhood (both East and South) might be viewed as a situation where the agent acts as a broker who sets the agenda "by constructing 'focal points' for bargaining...or by putting forward policy proposals and matching those to pressing policy problems" (Pollack 2003:50). This argument is supported by several interviewees who explained that – "We, as the Commission, didn't take sides and try to offer a solution in the form of a policy for both South and East" (Interview F, EU) and "there was a need to extend the geographical scope in order to have everyone on board" (Interview C, EU).

In light of the above, we could view a situation where two agents (the Commission and the HR), following the mandate from the collective principal (the Council), became responsible for drawing up the initial blueprint for the new initiative. Although both agents cooperated with each other and produced a Joint Communication (Solana and Patten 2002), it is also evident that both actors have competed for the privilege to become the policy's main entrepreneur and to determine the future course of the policy. Consequently, two distinct perspectives are present in the discussion about the neighbourhood. On the one hand, the Commission/Prodi's point of view that supports the expansion of the geographical scope of the policy to include the Southern Mediterranean countries and on the other hand, the HR's focus on Eastern Europe (Nervi 2011:81).

Along the same lines, Lynch points out to the fact that Solana had real concerns regarding the new geographical scope of the initiative (2003:54) while Tulmets maintains that "Solana was keen on taking the Wider Europe initiative out of the hands of the Commission" (Tulmets 2008:134). Nervi (2011) adds that according to one Official from the Policy Unit, the plan was to let the Commission work on concrete aspects of the policy but only once the strategic framework was finalised. Yet, despite attempts by Solana and his Policy Unit to keep the Commission at arms'

length from the new initiative, they failed to do so (Ibid:81) and the Commission became the *de facto* designer of the policy.

4.2.3 The Commission takes the lead

On December 13th 2002, in its Presidency conclusions, the European Council acknowledged that “the European Union also wishes to enhance its relations with Ukraine, Moldova, Belarus and the southern Mediterranean countries based on a long-term approach promoting democratic and economic reforms, sustainable developments and trade and is developing new initiatives for this purpose” (Copenhagen Council 2002:7). Thus, the European Council decided to lean towards the global approach advocated by the Commission and the South-oriented member states. Furthermore, it invited the Commission and the HR to submit further proposals following these guidelines.

In January and February 2003, two states offered their input concerning EU’s relations with the neighbourhood. However, the input did not come from the member states’ side but rather from candidate countries, namely Poland⁸⁶ (Polish non-paper, 2003) and Lithuania (Document 9399, 2003). Both the Polish and the Lithuanian focus were directed on the ways the EU could enhance its relations with its Eastern neighbours.

At the GAERC meeting on February 24th, the Council held a preliminary discussion concerning the initiative and an orientation debate was conducted (GAERC Draft Minutes 2003a) and moreover, a presentation was given by the External Relations Commissioner, Chris Patten. Finally, the Council “noted that a Communication by

⁸⁶ In fact, Poland was a very active (some might even say too aggressive) advocate for creating a European Eastern dimension policy.

the Commission on 'Wider Europe' would be available by the next meeting of the GAERC" (GAERC 2003a:5).

Summing up the first months of the policy formulation stage, the time-period between January and December 2002 could be characterised as a groping effort to conceptualise (in general terms) the future framework of relations between the EU and its periphery. At the very beginning of the process (January-April 2002), two principals (UK and Sweden) initiated the formulation stage while other principals informally showed their concerns regarding the geographical scope of the policy. Shortly afterwards, the Council delegated 'soft' agenda-setting powers to the Commission and the HR. During this stage, there was no active participation and constructive input from the principals' side (except sporadic contributions from candidate countries). The agents produced a joint letter that provided some general ideas for future actions. However, they were also involved in more individualistic acts, i.e. trying to shift the initiative according to their own preferences.⁸⁷ Eventually, the principals decided to focus on the Commission's solution of creating a comprehensive and cross-pillar policy towards the entire neighbourhood (East and South).⁸⁸ Moreover, despite Solana's reluctance to give the Commission the leading role in the policy, there are rational/functional reasons why the Commission should have taken this position.

At the end of the day, looking at the broad scope of the policy, not only in relation to the number of partners but also concerning the variety of issues which are covered by the new framework and its objectives; the Commission indeed seems like an

⁸⁷ For more on Commission and Council Secretariat relations see Dijkstra (2008, 2010).

⁸⁸ The inclusion of the South to the policy was secured by an informal decision to divide the financial allocation in the following manner: two thirds to the South and one third for the East (Interview I, EU).

excellent candidate to design the policy. The Commission has the experience (following the enlargement and the Stabilisation and Association processes and previous engagement with the partners, for example under the framework of the EMP) and capacities (Commission's Delegations and manpower), and is best situated to work on a cross-pillar dossier like the ENP (Emerson et al. 2005; Kelly 2006; Magen 2006; Gebhard 2007; Pelerin 2008; Dijkstra 2009).

4.3 The Wider Europe Communication

The Commission published its first Communication, 'Wider Europe', on March 11th 2003 (COM 104 final, 2003). In this Communication, the Commission introduced its plan for developing EU's relations with the neighbourhood. In a nutshell, what the Commission had in mind was that

"[i]n return for concrete progress demonstrating shared values and effective implementation of political, economic and institutional reforms, including in aligning legislation with the *acquis*, the EU's neighbourhood should benefit from the prospect of closer economic integration with the EU. To this end, **Russia, the countries of the Western NIS and the Southern Mediterranean should be offered the prospect of a stake in the EU's Internal Market and further integration and liberalisation to promote the free movement of – persons, goods, services and capital (four freedoms)**" (Ibid:4, emphasis in original).

The Commission proposed a list of incentives that could be offered to partners including lawful migration, intensified cooperation in security, enhanced financial assistance and integration into various networks. Referring to the financial instruments, the Commission only mentioned in brief the possibility of creating a new Neighbourhood Instrument following the positive experience with the financial instruments being used in the East (e.g. TACIS). As for the question of EU membership, the Commission stated that this is not on the agenda (at least not in the medium-term) as "a response to the practical issues posed by proximity and neighbourhood should be seen as separate from the question of EU accession" (Ibid:5). However, the long-term objective is to reach a well-developed cooperation

which resembles EU's relations with the European Economic Area (EEA) countries. In addition, The Communication also mentioned the possibility to create New Neighbourhood Agreements which would go beyond existing arrangements.

According to the Wider Europe Communication, the engagement with partners would be based on the principles of differentiation, progressivity and conditionality/benchmarking. The main instruments for engagement are the Action Plans – “these should be **political documents** – drawing together existing and future work in the **full range** of the EU's relations with its neighbours” (Ibid:16, emphasis in original). In addition, the Commission stated that the Action Plans would be established upon guidelines from the Council following a Commission proposal⁸⁹ and intended for that to become the main reference for relations between the EU and the partners over the medium-term.

As for the development and implementation of the Action Plans, the Commission proposed a three-step process. The first step would consist of a dialogue between the EU and the partners within the existing frameworks (under AA/PCA committees). The second step is the preparation of the Action Plans by the Commission and the member states (with the agreement of the partners). This would include the identification objectives, setting benchmarks and deciding the schedule for implementation. Both the EU and the partners would politically endorse the Action Plans, for example at the forum of the AA/PCA Councils. The third stage would be the annual review of progress in the implementation of the Action Plans.

Evidently, many of the mechanisms proposed by the Commission have originated from its enlargement and pre-accession experience. In fact, already during his speech

⁸⁹ The Commission also mentioned the possibility to have a prior discussion with the partners.

in December 2002, the Commission's President stated that "I admit that many of the elements which come to my mind are taken from the enlargement process" (Prodi 2002b:3). Among the similar instruments one could point out the conditionality and benchmarking principles, expanding programmes to ENP partners (e.g. Twinning), the use of Action Plans and the annual progress reports (Interviews C, K, EU; Kelly 2006; Magen 2006; Gebhard 2007, 2010).

4.3.1 The Wider Europe Communication – PA perspective

Examining the first comprehensive output by the agent, it seems that the Commission took the opportunity to influence the policy with both hands. The Communication was not only very ambitious but also situated the Commission at the heart of the policy. Therefore, the Commission could be viewed as a competence maximiser (i.e. wanting more competences for itself) and as an integrationist (i.e. wanting more competences for the EU in general) (e.g. Cram 1994; Garrett & Tsebelis 1996; Pollack 2003). This point should be furthered explained.

First, the Wider Europe paper (COM 104 final, 2003) puts forward suggestions for cross-pillar cooperation with the partners. In other words, the Communication discussed actions in the field of (a) first pillar – internal market, (b) second pillar – human rights/crisis management, and (c) third pillar – terrorism/organised crime. The proposal's cross-pillar characteristics (beyond the Community's exclusive competences), according to Pelerin, is rather remarkable, even if one takes into account the preliminary status of the Communication (2008:51). What is more, the Commission has situated first pillar issues ('a stake in the EU's Internal Market') at the forefront of the new initiative. This manoeuvre could be viewed as a way for the Commission to blur the distinction between EU's internal and external policies and thus enabling it to expand its power in a sphere which has been traditionally dominated by intergovernmental cooperation (Ibid:61). Moreover, it could be argued that to some extent this act resembles the strategy of 'issue-linkage'. In this context, I

do not refer to issue-linkage as a way to foster international cooperation, i.e. 'package deals' (e.g. Weber & Wiesmeth 1991; Moravcsik 1993), but as a “conscious effort (i.e., a strategy) to connect different issues” (Tsebelis, 1994:138). In the European Union, this strategy is utilised by both the European Parliament⁹⁰ (Ibid, Farrell & Heritier 2005; Raube 2011) and the Commission (Krause 2003) to expand their power in policy areas where they do not possess formal competences, in the words of Krause (Ibid:224): "The Commission might try to take the lead in CFSP policy-making by providing the Member States with comprehensive policy concepts in which it outlines cross-pillar solutions to political problems".

Second, according to the Communication, the Action Plans would become a key instrument in the policy. The fact that these documents are based on the Commission's proposals entails an important role to the Commission. In the words of Pelerin - “With this formulation, the Commission clearly presented itself as the main actor of the ENP. By being the institution responsible for proposing Action Plans, the Commission becomes the key agenda-setter in the EU's bilateral relationship with each neighbouring country” (Ibid:51). Moreover, since the ENP is designed as a non-legislative policy benefits the Commission as the Action Plans (and the progress reports) are not subject to the co-decision process and thus gives more power to the Commission vis-à-vis other EU Institutions (Ibid:61-2; Herman 2006). Nonetheless, the agent's choice to formulate the Action Plans as political documents rather than international and legally-binding agreement could also be attributed to the fact that the agent “may rationally anticipate the preferences of the member states” (Pollack 1997:130, see also Weingast & Moran 1983). In this context, a Commission Official clarified the decision by saying that “we didn't give the document a legal basis because it will be bureaucratically impossible to pass it” (Interview L, EU).

⁹⁰ It is worthwhile to mention, however, that in the case of the EP, its ability to use this strategy is usually based on its power of consent (mainly related to budget), like in the case of the negotiation on the establishment of the EEAS (for more see Raube 2011).

Third, it seems from the interview material that the Communication was written mostly by Commission services and thus represented much more of the Commission/Prodi's ideas rather than trying to integrate input from EU member states; in the words of an EU Official: "The Wider Europe paper was an attempt by the Commission to implement the ambitious ideas of Prodi" (Interview N, EU).

Fourth, it is worthwhile to return to the discussion about the partners included in the policy since from the very beginning of the formulation stage until recent days⁹¹; the combination of East and South is a bone of contention for academics and policy-makers alike.⁹²

As mentioned previously, the decision to combine the regions (South and East) is often described by scholars as the result of a bargaining process and an attempt to balance between East and South-oriented member states, i.e. as a Commission's focal point since it was "the only option available at the time in order to keep all the Member States on board" (Copsey 2007:15). Moreover, Nervi mentions Prodi as one of the strongest advocates for the inclusion of the Southern neighbours (2011:77-9, see also Lynch 2003; Grant 2006; Bicchi 2007; Interviews A, B, E, I, K, P, EU). According to Nervi, Prodi's strategic preferences were to "create an ENP for all European Neighbours" and to "keep the Mediterranean on the EU agenda, supported by all member states" (2011:77). These preferences match the Commission's preferences which were "to develop a comprehensive ENP for all EU neighbours" (Ibid:82) and favouring "a global approach" (Interview L, EU). Thus, the South-oriented members were not the only ones which were in favour of including the

⁹¹ In the following chapters there will be a further discussion on the conflict between the member states concerning the geographical scope of the policy.

⁹² Actually, even before the establishment of the ENP, the need to balance Europe's Eastern and Southern dimensions was discussed in the literature (e.g. Schäuble & Lamers 1998; Barbe 1998).

Mediterranean countries but the Commission also pushed for a broader approach (Interview I, EU).

However, the combination of East and South within a single framework was in fact on the Commission's agenda even before January 2002, which usually marks the beginning of the ENP. Evidence can be found in Prodi's speeches as well as in previous Commission's Communications. For example, in October 1999, in a speech in front of the EP, Prodi argued that "the European Union needs to be more actively involved with Russia, Ukraine and the Caucasus and Maghreb countries" (Prodi 1999b:6, see also Prodi 1999a). What is more, on various occasions between January and March 2001, when Prodi discussed the need to formulate a comprehensive approach towards the entire neighbourhood, he used the term 'Neighbourhood Policy' (Prodi 2001a:3, 2001b:2, 2001c:4).

Referring to earlier Communications, the need to intensify relations with the Eastern and Southern neighbourhoods following enlargement was already mentioned in July 1997 in the Commission's 'Agenda 2000' (Commission Agenda 2000, 1997:34). Also, according to the Commission's Strategy Paper 'Making a success of enlargement', "the enlarged Union will need to deepen its relationships with its immediate neighbours and to develop further a common approach...A well-designed proximity policy, building on the present policy framework, will ensure that the enlarged EU and its neighbours deepen their common interests and activities" (COM 700 final, 2001:9). Along the same lines, the Commission's work programme for 2002 stated that "the Euro-Mediterranean policy will have to be part of a broader, coherent and active policy aimed at all our neighbours, in an arc stretching through Russia and Ukraine to the Mediterranean" (COM 620 final, 2001:8, see also COM 154 final, 2000:7-8).

Notwithstanding the aforesaid, existing ENP literature fails to explain the Commission's decision to combine both regions instead of, for example, exploring the possibility of creating a new policy towards the East while redesigning and strengthening the EMP. True, it is rather evident that the EMP failed to reach its objectives (e.g. Pace 2007; Baracani 2005; Emerson & Noutcheva 2005, see also COM 104 final, 2003:7; COM 373 final, 2004:7) and South-oriented members - fearing that enlargement and the new initiative would shift the focus entirely towards the East - wanted the Southern neighbours to be included in the policy. The point here is that although the EMP has a strong multilateral component, it also has a bilateral component (i.e. the AA). As such, the argument that the added-value of the ENP is its bilateral track seems pretty weak (Biscop 2007; Stetter 2005; Comelli 2005; Ortega 2003).

A possible explanation for the decision might be the Commission's aspiration to strengthen its position in the South. As mentioned above, the idea to formulate a broad policy towards the neighbourhood was already on the Commission's agenda. However, once Sweden offered to expand the geographical scope of the British initiative, the Commission could seize the opportunity or the opening of a policy window, using Kingdon's (1995) terminology, and link the new initiative to its old idea of creating a grand strategy towards the entire neighbourhood.

In principle, the EMP is an intergovernmental framework based on multilateralism and has a very limited set of objectives (mainly regional free trade agreements). Also, according to Bicchi, the Commission, in contrast to the member states (e.g. France and Spain), has never taken the role of a policy entrepreneur in its relations with the Mediterranean as well as "in comparison with the case of Eastern Europe, the Commission never played an active role in relation to the Mediterranean 'to a unique extent'" (2007:182). According to an EU Official, the idea to reformulate the EMP never came up as an option since it was "untouchable" and "although it was

obvious that the EMP is a failure, it was protected by the member states as their thing” (Interview F, EU). Alternatively, the ENP, as a Commission-driven initiative, is much more ambitious, integration-oriented initiative (Interviews B, C, D, F, EU) which consists of actions in a wide range of policy areas. As such, the combination of East and South and the instruments the Commission decided to propose in the ENP put the Commission in a stronger position in both regions.

Finally, as mentioned above, the new initiative has created the opportunity for the Commission to expand its role in the Mediterranean; a region that has so far been dominated by an intergovernmentalist mode of cooperation. Moreover, following the success of enlargement and the key role the Commission has played during the accession process, the Commission viewed itself as a key actor in EU foreign policy (Interview C; Kelly 2006:31). The emergence of a new policy not only “enable[s] the Commission to continue playing a significant, and perhaps even stronger, role in external affairs” (Kelly 2006:32, see also Vobruba 2007) but the timing was also right since it came “at a time when the conclusion of accession negotiations threatened to narrow its domain and so undermine its relative institutional strength” (Magen 2006:396). Against this background, Kochenov (2008) maintains that the Commission “was in need of a catchy success story, a powerful rhetorical tool that would allow it to justify and consolidate its role in the shaping of EU foreign policy” (Ibid:12). The emergence of the ENP provided it with such an opportunity.

Indeed, one could follow Kassim et al. (2013) and argue that there might be a chance that the way the Commission decided to design the Wider Europe initiative was based on functional considerations rather than on its aspiration to gain competences for itself and for the EU in general. However, noteworthy is that according to Kassim et al., the foreign policy domain (together with development, asylum and immigration) is ranked high on the list of EU policies which European Commission officials believe should be ‘more European’ (Ibid: 148, 281). Moreover, be it

functional consideration or not, the Wider Europe Communication offered to extensively expand the Commission's competences in the neighbourhood. Finally, taking into account the evidence provided above, it is probable that while designing the new policy, the Commission was motivated by more than exclusively functional considerations.

Against this background, the Wider Europe Communication might be seen as an example of how an agent tries to expand its competences. Thus, I am in agreement with Cram who posits that the Commission could be viewed as a 'purposeful opportunist' and "has learned to respond to opportunities for action as they present themselves, and even to facilitate the emergence of these opportunities" (1994:199).

4.3.2 Reaction to the Wider Europe Communication

There were various responses to the Wider Europe Communication. First of all, it seems that the initiative's name was rather problematic since it was opened to different interpretations. For example, translated into German "Größeres Europa would stir up the ghost of World War II Nazi expansionism" (Johansson-Nogues 2007b:184-5) while there was also the danger that it would create colonialist connotations. What is more, there were concerns that the term 'Wider Europe' might create false expectations concerning EU membership (Johansson-Nogues 2007; Kratochvíl & Tulmets 2010).

More concrete reservations were expressed by EU members concerning the implementation of the differentiation principle, the progressive implementation of the four freedoms (especially in regards to agriculture products and the free movement of people), the lack of added-value in comparison to existing mechanisms, the ability of the Southern partners to align themselves to the *acquis*, and the meaning of the initiative to the membership aspirations of some of the partners

(Johansson-Nogues 2007; Del Sarto & Schumacher 2005; Magen 2006). Therefore, despite general positive responses, there was a lack of enthusiasm from the member states' side as they were unwilling to discuss any issues relating to financial allocations and mobility (Interview K, EU).

On March 18th 2003, the GAERC had an orientation debate about the general principles of the policy. Subsequently, the Presidency noted as preliminary elements: (a) differentiation, i.e. “different models to be applied to the different countries considered” (GAERC 2003b:6); (b) the general approach towards all countries should be based on basic values (e.g. democracy and human rights); (c) the common challenges which should be addressed (e.g. migration, organised crime); and (d) the initiative should be separated from EU membership. Moreover, the Council stated that preliminary work would carry on in preparation to the next GAERC and the European Conference meetings scheduled in April.

An additional input regarding the Wider Europe initiative came from Sweden (Document 8999, 2003) and Finland (Document 8988, 2003) on March 31st 2003. Essentially, both proposals concentrated on the Eastern neighbours. In the case of the Swedish proposal, the idea was to develop a two-track approach (i.e. short and medium term targets) towards Belarus, Moldova and Ukraine. Alternatively, the focal point of the Finnish proposal was the enhancement of cooperation in the EU's Eastern border, based on the Finnish long experience with cross-border and trans-national cooperation with Russia and the Baltic Sea region.

On April 10th 2003, the Greek Presidency provided its views in a form of a paper to the Council. In the paper, apart from identifying the general objectives of the new policy (e.g. creating an area of peace and stability), the Presidency highlighted that “differentiation among countries and regions is a key element in the future

implementation of the neighbourhood policy” (Document 8395, 2003:2). Thus, the Greek Presidency paper differentiated between the Eastern neighbours (Belarus, Ukraine, Moldova and Russia) and the Southern neighbours (the Mediterranean countries that are part of the EMP).

The Wider Europe initiative was the first item to be debated during the GAERC on April 14th. Following the open debate, “there was broad agreement amongst delegations on the need for a differentiated approach and the use of benchmarking to assess progress towards established objectives” (GAERC 2003c:7). Furthermore, the Council declared that criminality (e.g. human trafficking) and human rights constitute important aspects of the policy and there is a need to carefully examine how they would be integrated into the new framework. Also, it noted that a further discussion regarding the financial dimension of the policy is required. Finally, the Council tasked the Permanent Representatives Committee to “oversee further work so as to enable the Council to return to this subject at a forthcoming meeting” (Ibid: Ibid).

On April 17th, the Greek Presidency hosted an enlarged European Conference in Athens. The Conference’s objective was to present the new initiative to the international arena in general and to the partners in particular. However, the proposal to include the Southern neighbours was blocked by several member states (especially the Northern ones) and thus the new policy was introduced to them a month later at a ministerial meeting under the framework of the EMP (Johansson-Nogues 2007:29). Eventually, the enlarged European Conference resulted in a declaration that the conference embraced the idea of further developing of relations with both the Eastern and Southern neighbours (European Conference 2003).

On June 6th 2003, the Greek Presidency circulated among national delegations the draft Council conclusions on Wider Europe with the aim of approval on COREPER level (Presidency 10302, 2003). Examining this document, we could find several points of disagreement between EU member states. For example, concerning the possible incentives which would be offered to the partners, Austria and Germany strongly objected to the idea of “further facilitation of legal migration and movement of persons” (Ibid:4) while the Netherlands was (a) in favour of adding that full implementation of the AA would be a precondition for any new developments, and (b) against the possibility of examining the scope of new agreements in due time (Ibid:3, 5).

Summing up the reactions following the Wider Europe paper, it seems that even though there was a general consensus among EU members for the inclusion of the Southern Mediterranean partners and the need for an approach based on differentiation, it was rather clear that the member states would not go along with idea of offering partners such a high level of integration (the four freedoms). Yet, even if the Communication could be seen as a way to expand Commission’s competences, it is questionable whether we could frame the Wider Europe paper in terms of ‘agency shirking’. Put differently, the Communication was the first detailed proposal and thus could be viewed as a steering instrument (Van Vooren 2009a:706). By the same token, a Commission Official explains that “maybe to offer 'everything but institutions' and the four freedoms (especially of persons) was unrealistic but that was best case scenario, our starting point for dialogue with the member states and seeing what are the limits” (Interview G, EU) and after all “that's the job of the Commission – to be innovative and creative and to see how far we can go” (Ibid).

4.4 General endorsement and further developments

On June 16th 2003, the main elements of the policy were clarified and adopted (‘A’ Item) by the GAERC (GAERC 2003d:32-4) following an agreement reached in

COREPER on June 11th (COREPER 10447, 2003). In its conclusions, the Council stated that the Wider Europe paper offers a “good basis for developing a new range of policies” (GAERC 2003d:33) as well as provided a specific list of countries to be included in the policy.⁹³ The conclusions also covered the general objectives, the incentives to be offered by the EU, the need for a differentiated approach based on the Action Plans as key instruments while emphasising that the policy should not override existing EU frameworks.

Finally, the Council invited the Commission (and the HR, where appropriate) to continue working on the initiative while focusing on the following tasks: (a) discuss the pros and cons of existing agreements with partners; (b) submit proposals (from 2004) for Action Plans with all partners which have PCA/AA in force; (c) examine which measures could be taken in order to improve the interplay among different financial instruments; and (d) submit a Communication on a new Neighbourhood Instrument to be introduced in the next budgetary period.

On June 19th, the European Council of Thessaloniki gave a brief note concerning the new initiative. In its conclusions, the Thessaloniki Council “endorsed the GAERC conclusions of 16 June and looks forward to the work to be undertaken by both the Council and the Commission in putting together the various elements of these policies” (Thessaloniki European Council 2003:13).

Responding to the invitation of the GAERC and the European Council, the Commission introduced its Communication on the new financial instrument on July

⁹³ Ukraine, Moldova, Belarus, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria and Tunisia (Russia has a separate strategic partnership with the EU and it was decided that the inclusion of the Southern Caucasus countries will be discussed at a later stage).

1st 2003 (COM 393 final, 2003). In this Communication, the Commission proposed to adopt a two-step approach. The first step from 2004 to 2006 would be to work with existing legislative and financial mechanisms while from 2006, a new financial instrument would be created. According to the Commission, since there are various instruments which are being used in the neighbourhood (e.g. INTERREG, MEDA, TACIS) and every instrument is managed by different regulations, “the concept of a new Neighbourhood Instrument offers the opportunity to develop a single approach to co-operation across the external borders of the Union, which would resolve the problems faced at present” (Ibid:7). Still, since the new instrument aims to combine internal and external funding, there is a need to take into account legal and budgetary constraints.

Thus, the Commission suggested expanding the content, objectives and geographical scope of existing programmes as well as working on a new single regulation to govern the new Neighbourhood Instrument. Similar to the Wider Europe Communication, one could argue that the Commission is trying to increase its competences by combining internal and external financial mechanisms. However, it is noteworthy that the Commission was rather cautious in its proposal as it stated that “the legal and budgetary issues...require further reflection within the Commission before a definitive position can be established” (COM 393 final, 2003:13).

On July 7th, following the work on the policy formulation and “in order to maintain the momentum needed to ensure the support of Member States and the countries concerned “(IP/963 2003:2), the Commission established the ‘Wider Europe Task Force’ (WETF). The WETF, which consisted of Officials from DG RELEX and DG Enlargement and reports to Enlargement Commissioner Verheugen, was responsible for developing the political aspects of the new policy, drawing up the Action Plans and preparing proposals for the new financial instruments (IP/963 2003:2).

On October 13th 2003, the Wider Europe initiative was debated in the Council while an oral report was given by Commissioner Verheugen. The focus of discussion was the confirmation that the work on the Action Plans for the first group of partners is to be prepared. The first group included partners with AA/PCA in force, namely Ukraine, Moldova and Russia to the East, and Morocco, Tunisia, Jordan, Israel and the Palestinian Authority to the South (SI 190, 2004:7). In its conclusions, the Council “welcomed the initial interest shown by many partner countries and underlined the EU's intention to proceed in close dialogue with all the countries concerned” (GAERC 2003e:5). Additionally, the Council welcomed the Commission's Communication on the new financial instrument and its intention to develop Neighbourhood Programmes, based on existing mechanisms, which would possibly be an intermediate measure before the introduction of one single financial instrument. As for the key objectives proposed by the Commission in its July Communication (e.g. promotion of sustainable economic and social development, ensuring secure borders and fighting against organised crime), “the Council will review the key objectives in due time” (Ibid:6). Finally, the Council tasked the Commission (and the HR, where appropriate) to present “detailed proposals for the relevant action plans early in 2004 in order to take this matter forward by June 2004” (Ibid: Ibid).

On October 17th, the European Council briefly welcomed in its conclusions the progress made on the new initiative and tasked the Council and the Commission “to take forward work in implementing this initiative with a view to ensuring a comprehensive, balanced and proportionate approach” (Brussels European Council 2003:13).

On December 12th 2003, the HR introduced the European Security Strategy (ESS) (Solana 2003). The ESS identified various key threats which the EU would have to face in the near future, namely terrorism, proliferation of Weapons of Mass

Destruction (WMD), regional conflicts, state failure and organised crime. The ESS reserved a particular section which was devoted to EU's periphery – 'Building Security in our Neighbourhood' - where it stated that "neighbours who are engaged in violent conflict, weak states where organised crime flourishes, dysfunctional societies or exploding population growth on its borders all pose problems for Europe" (Ibid:7). As such, EU's task is "to promote a ring of well governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations" (Ibid:8). Similar to the Commission efforts to put first pillar issue at the forefront of the new policy, the reference to the neighbourhood in the ESS meant "[t]o underline the importance of the policy and its security aspects" (Tulmets 2008:114) and could be viewed as an (second) attempt "to nest the management of the new initiative at the Council's secretariat and not at the Commission" (Kratochvíl & Tulmets 2010:66).

4.5 Agent's discussions with ENP partners

By the end of 2003 and during the first months of 2004, Commission Officials travelled across the neighbourhood with the aim of 'selling' the new initiative to the partners. Interestingly enough, looking at two speeches by the Enlargement Commissioner Verheugen (Moscow, October 2003) and the External Relations Commissioner Patten (Kyiv, November 2003), it is rather puzzling that after EU member states have shown their reluctance to accept the level of integration which was offered in the Wider Europe Communication, both Commissioners still refer to "the extension of the 'four freedoms', goods, services, capital and labour" (Verheugen 2003:5; Patten 2003:3, see also COM 101 final, 2004:23).

In any case, there were various responses to the policy among the partners. From the very beginning, Russia made it very clear that it did not wish to be a part of the new project and deserved to be dealt on a more equal basis (Interviews L, M, EU; Tocci

2005; Smith 2005).⁹⁴ The Eastern partners, despite a first negative response and dissatisfaction from the fact that they are in the same boat with the Mediterranean countries, were willing to participate in the ENP. Still, there was an (unsuccessful) attempt to pressure the Commission to include a long-term membership perspective (especially from Ukraine⁹⁵). As for the Southern partners, some were more willing to cooperate (e.g. Jordan, Morocco and Israel) while others were more reluctant and suspicious, especially concerning the issue of political reforms (e.g. Egypt and Algeria) (Interviews G, L, M, N, EU; Information Note 2004, see more in Overhous et al. 2006; Emerson et al. 2007).

Finally, it is worthwhile to take notice of the Commission's attitude as well its expectations towards the talks with partners. It appears that not only did the Commission base its approach on enlargement mechanisms but its successful experience with enlargement also had an effect on its level of self-confidence. During that time-period, one Official recalls: "the Commission was very strong and confident and we all were very ambitious with our plans" and "we really thought that what was working with candidate countries will work with the ENP partners" (Interview C, EU). What is more, "the Commission also came to the partners as a big actor, very confident. But the reaction towards the action plans from partner countries' side was different" (Ibid).

4.5.1 Agent's discussions with ENP partners – first signs of problems?

On February 23rd 2004, the Council held another debate concerning the initiative while the Commission presented its progress report on the development of the policy.

⁹⁴ In the end, Russia was excluded from the ENP (but not from the ENPI) and continued to develop its relations with the EU based on the framework of a Strategic Partnership.

⁹⁵ Ukraine actually preferred to refer to the action plan as EU-Ukraine action plan rather than ENP action plan (Interview M, EU).

According to its conclusions, the Council expected the Commission to submit the first draft of the Action Plans by June 2004. Also, the Council “requested the Permanent Representatives Committee to examine in detail a number of aspects in relation to the New Neighbourhood Policy in order to ensure that the Council is able to give the necessary guidance to further work” (GAERC 2004a:7). In so doing, the COREPER was tasked to engage with a number of questions that arose in the discussion; among those are the relations between the ENP and the Middle East Peace Process, the relations between the new Neighbourhood Instrument and existing instruments and the content of the political chapter of the Action Plans. Finally, it was noted that Commissioner Verheugen is committed to ensure that full information would be provided to the member states on the above issues (SI 190, 2004:1-2).

On February 26th, following the Council’s mandate, the COREPER invited the Commission to inform the COEST and Maghreb/Mashrek (MAMA) working groups on Commission’s work and discussions with partners while providing copies of documents which might be communicated to the partners. Subsequently, the Commission has informed the working groups on the overall situation and a report was distributed to the Antici group (Ibid:2).⁹⁶

On March 1st 2004, a comprehensive document provided a detailed description of the current situation of the ENP formulation stage (Information Note 2004). First, the document outlined the mandate given to the Commission by the GAERC and the European Council in June and October 2003. Following this mandate, the Commission worked on a package which consists of the following: a strategy paper (including the Neighbourhood Instrument), individual country reports and draft Action Plans for the first group of partners.

⁹⁶ The Antici group is in charge of preparing the weekly talks between EU ambassadors (COREPER II) (<http://esharp.eu/jargon/antici-group/>).

The second part of the document is devoted to a more detailed description of the policy's state of play. Referring to the content of the Commission's strategy paper, the document stated that it would include: (a) the general objectives, approach and methodology of the initiative, (b) a summary of the Action Plans, and (c) clarification of related issues such as benchmarking, incentives and political priorities. As for the country reports, it was noted that the Commission services are working on the reports for the first group of partners that would include a summary on the relations with partners as well as an overview of the partners' situation (political, economic, etc.). On the subject of the Action Plans, the document listed the key priorities which would be included in all Action Plans, namely political dialogue and reform; economic and social reform and development; justice and home affairs; trade, market and regulatory reform; networks (e.g. energy) and environment; and people-to-people contacts. Concerning the status of the Action Plans, the document clarified that they "remain technical documents to guide our work with partner countries, not international treaties" (Ibid:3).

Furthermore, it was mentioned that discussions between the Commission and the partners were held during January and February 2004 while a further round would be completed by the end of March. Also, "these dialogues have been held on the basis of discussion papers produced by the Commission services" (Ibid: Ibid). In annex 1 of the document, a summary of discussions with partners (Ukraine, Moldova, Jordan, Tunisia, Morocco, Israel and the Palestinian Authority) was provided. The summary included: (a) the number of discussion rounds the Commission had with partners so far, (b) the partners' objectives and response (e.g. Ukraine wanted much more), and (c) the topics being covered (e.g. political and regulatory reforms, trade, transport, human rights, terrorism, immigration and cross-border crime) (Ibid:5-9, Annex 1). In annex 3, the document provided two examples (Ukraine and Moldova) of more detailed draft outline of the Action Plans (Ibid:14-32, Annex 3).

Responding to the request for full information to be provided to the member states, the document stated that “since October 2003, the Commission has kept the Member States informed of work in progress through presentations directly after each round of meetings with partner countries to the relevant Council groups, and to Member State representatives in partner country capitals whenever discussions took place” (Ibid:3). In addition, it was noted that the Enlargement Commissioner Verheugen presented reports to the Council in October 2003 and February 2004 as well as “discussed the main issues with Coreper at a lunch on 18/2” (Ibid: Ibid). It was also agreed that the Commission would further strengthen its cooperation with the member states. Finally, it was mentioned that at this stage, the Commission is discussing several aspects of the Action Plans (e.g. human rights and security) with the HR and following these consultations the draft Action Plans would be finalised.

On March 3rd 2004, the Irish Presidency circulated a non-paper that discussed the main elements of the new initiative (SI 190, 2004, Annex 1). Referring to the overarching principles, it stated that in order to achieve the policy’s goals, there is a need not only for a coherent approach but also to be aware of the existing agreements and policies. Also, “the timing, conditionality and inclusion or otherwise of certain countries must be subject of an agreed EU position” (SI 190, 2004, Annex 1:6, emphasis in original). As for the incremental approach, there was an agreement for the need to differentiate between partners. Yet, the Presidency underlined that despite the variety of conditions within partners, the EU has to be consistent concerning conditionality and benchmarking. On the subject of the ENP’s coverage, the Presidency noted that concerning the relationship between the ENP and existing frameworks, a “clear understanding needs to be established as to the distinctions and synergies” (Ibid: Ibid).

4.5.2 The freezing of discussions

On March 5th 2004, the Commission Secretariat General circulated a *note a l'attention* to the Commission's members on the topic of the ENP following a summary of a COREPER meeting on March 3rd. The document highlighted the importance EU member states attached to the Commission's transparency (as noted at the February GAERC meeting) and the fact that the Commission should have informed the working groups before the initiation of discussions with partners on the Action Plans (SI 190, 2004:2). Also, it was mentioned that when the Council asked the Commission to provide copies of the Action Plans' drafts that were discussed with partners, the Council expected to have an actual copy rather than an outline. Along the same lines, the document underscored the need for coordination between the Commission and the Council and warned that lack of full coordination could hinder the implementation process since the partners would then become aware of EU internal divisions.

According to the document, during the meeting on March 3rd, Michael Leigh, as the Commission representative and head of the WETF, assured the Council that the Commission would be completely transparent in its work and would keep the Council regularly informed concerning all developments.

Finally, the document outlined the different positions of EU members towards the Neighbourhood Policy. In fact, this is the first document that gives an overview of the national positions of EU members towards the policy. All the more surprising is the fact that, more than two years since the beginning of the ENP formulation, the member states started to provide their input almost on every aspect of the policy. For example, the Dutch delegation raised serious doubts about the Union's ability to influence its surrounding within the framework of the ENP. Also, several members (the Netherlands, Lithuania and Italy) emphasised the danger of creating false expectations of EU membership. In addition, Italy, in comparison to the UK, was

against a strict application of the conditionality principle, whereas Germany and the Netherlands underpinned the importance of transparency from the side of the Commission. The UK and France raised attention to the need of giving guidance to the Commission in its discussions with partners. And finally, the German and French delegations also stated that the Commission should suspend its contacts with partners until further guidance would be provided (Ibid:3-4).

Following the request of the Council to receive a copy of the draft Action Plans, the Commission circulated copies among the delegations on March 9th and on March 10th, another COREPER meeting was conducted (SI 212, 2004). During the meeting, a Presidency paper was distributed among participants. The paper outlined some of the general themes which have been already agreed upon by COREPER level: (a) ENP's coherence with existing policies; (b) the importance of including the principles of differentiation, conditionality and joint-ownership; (c) the fact that the ENP is not enlargement; and (d) Russia needs a separate approach (SI 212, 2004, Annex 1). Yet, the document also referred to some unresolved issues such as the content of the Action Plans (topics, benchmarks and incentives), the coverage of the policy and timing (schedule of the policy's development).

A significant outcome of this meeting was the immediate suspension of any talks between the Commission and partners and an agreement on the working procedures and planned schedule. Michael Leigh, as the Commission representative, stated that the Commission would present its general Communication and individual country reports in May and that the Communication would take into account the views expressed in the Council working groups and in COREPER. Furthermore, the Commission would try to present the Action Plans before summer 2004. Lastly, it was decided that henceforth, representatives from the Council Secretariat General, the HR and the EU Presidency would be present during the discussions with partners (Ibid, see also Nervi 2011; Pelerin 2008; Jeandesboz 2007).

Similar to the COREPER meeting on March 3rd, member states gave their input on the ENP as well as on the Presidency paper. First of all, numerous EU members showed support for the Presidency paper (e.g. Belgium, Spain, Denmark, Italy, Germany, Czech Republic, France, UK, and Latvia) and welcomed the strengthened cooperation with the Commission (e.g. Hungary, Poland, Sweden, Belgium, UK, Germany, Austria and Spain). Second, the German delegation raised doubts concerning the ENP's scope (in particular the conditionality principle) and whether there is a chance that the policy will create more problems than solutions. Third, some members pointed to the need not only for consistency between the ENP and existing policies (Spain, UK, Italy, Czech Republic) but also to demonstrate the added-value of the ENP over those policies (Austria, France, Germany). Fourth, Spain, the Netherlands, Denmark and Italy were in favour of a clear separation between the ENP and the membership perspective while the Czech delegation argued that this topic deserves a further discussion. Fifth, the Hungarian delegation asked for some clarification on the legal status of the Action Plans (i.e. political document or agreement which is subject to international law). Finally, Latvia highlighted the importance of keeping the balance between East and South.

4.5.3 Commission's discussions with partners – a case of agency shirking?

The tension between the member states and the Commission was rather high in the first months of 2004. In fact, this period was the first time where there was explicit evidence of a conflict between the principals and the agent. Essentially, the bone of contention was the question whether the Commission required a mandate to start discussions with partners on the Action Plans. From the member states' point of view, the Commission did not have the mandate to engage in negotiations with partners, not to mention discussing second and third-pillar issues. Thus, the Commission not only overstepped its competences but also jeopardised EU foreign policy objectives in the neighbourhood (SI 190, 2004:2; Pelerin 2008; Jeandesboz 2007).

However, Commission's personnel had a different perspective concerning the suspension of the talks. In fact, not only the member states were surprised by the Commission's actions, but also "to the Commission, it came as a big surprise. We saw our role just like in accession, that we had freedom to be active" (Interview Q, EU). Other EU Officials support this statement by arguing that "the Commission thought it could act freely like during the enlargement" (Interview E, EU) and "with enlargement the member states didn't have any problem that the Commission took charge" (Interview C, EU). This 'freedom' that the Commission's Officials refer to is related to the fact that even though the Commission does not possess much power in accession negotiations, it still had major influence on the enlargement process. As such, the Commission's role in enlargement could be seen as "an illustration of the new institutionalists notion that influence can be exercised even in the absence of formal powers" (Avery 2012:166). Along the same lines, Diedrichs and Wessels (2006:231) explain that

"unlike the Member States, the Commission is engaged in all stages of the enlargement process; it delivers early estimates and evaluations in the pre-application stage; presents opinions on the applicant's suitability for membership and likely repercussions for the EU; and accompanies the accession negotiations by 'reflection' and 'action', forming the common approaches on which the Council builds its strategy."

In this context, the interviewees might have referred to the first stage of accession, namely the screening process. This process "is carried out jointly by the Commission and each of the candidate countries. This process allows the latter to familiarise themselves with the *acquis* and, subsequently, to indicate their level of alignment with EU legislation and outline plans for further alignment."⁹⁷

⁹⁷ http://ec.europa.eu/enlargement/policy/glossary/terms/screening_en.htm

Furthermore, Commission Officials did not consider the talks with partners as official negotiations but rather as ‘exchange of views’ (Interview E, EU). More importantly, numerous interviewees from the Commission underlined the fact that the Action Plans are not subjected to Article 300 TEC. The Article states that

“Where this Treaty provides for the conclusion of agreements between the Community and one or more States or international organisations, the Commission shall make recommendations to the Council, which shall authorise the Commission to open the necessary negotiations. The Commission shall conduct these negotiations in consultation with special committees appointed by the Council to assist it in this task and within the framework of such directives as the Council may issue to it.”

The Commission’s perspective is that since the Action Plans do not have the legal status of an international agreement, it does not need member states’ mandate for opening discussions, as explained by Commission’s Officials: “the member states thought that the Commission needs a mandate although there was no point. It is not an international agreement” (Interview E, EU); “the Commission didn’t see any need to talk to the member states. The Commission doesn’t have to get a mandate from the member states in order to negotiate something which doesn’t have a legal basis” (Interview D, EU); another respondent noted that “the drafting of the action plans was seen as a technical and bureaucratic exercise of the Commission” (Interview N, EU); whilst another interviewee commented that “we didn’t think we need any permission or mandate to talk with partners” (Interview M, EU).

In light of the above, it seems that a key problem is that of interpretation; not necessarily of whether the Action Plans are international agreements or not but rather of whether the Commission had the authority to (a) engage in discussions with third countries, (b) discuss second and third pillar issues, even if the outcome is not a legally-binding document (see also Pelerin 2008:52).

Through a PA lens, how can we shed light on this situation? It may be that the ‘misunderstanding’ regarding the negotiation mandate or the ‘turf war’ about competences was caused by problems related to ‘incomplete contracting’. As mentioned in chapter two, incomplete contracting is one of the reasons why principals decide to delegate authority to an agent. However, it could also be argued that “given that the Treaty texts are incomplete and ambiguous, each organisational actor will seek to ensure that these texts are interpreted in such a way as to maximise its own competences over law-making” (Farrell & Heritier 2007:331). In the context of the conflict between the Commission and the member states as described above, it is possible that when the member states created Article 300, future circumstances such as the negotiations with third parties on cross-pillar Action Plans without a legal basis were unforeseen. Therefore, when work started on the ENP, as a *sui generis* foreign policy, the Commission tried to maximise its competences by broadly interpreting its mandate (following Article 300) or the GAERC instructions from June 2003 (See also Pelerin 2008:52) that “from 2004 onwards, [the Commission should] present proposals for Action Plans for all countries concerned as appropriate” (GAERC 2003d:34). This behaviour is somewhat similar to Hawkins and Jacoby’s re-interpretation strategy (2006:206) as the Commission argues that the negotiations with the partners do fall within its mandate.

Furthermore, an EU Official argued that during the discussions with partners, several EU members (and others soon follow suit) started to become nervous about a possible loss of competences and wanted to be more involved in the policy formulation (Interview D, EU). Then again, the interviewee maintained that the objective was not necessarily giving significant input but rather having more control over the Commission (Ibid). In a similar vein, another respondent added that it is only natural that the member states started to ask questions given that only following the negotiations and the quarrel about the Commission’s competences, they “finally started to read the papers” (Interview C, EU).

There are two important questions that arise from the statement above. The first question is how can we elucidate the sudden interest of the member states in the policy? One prominent explanation in ENP literature is distraction. In other words, various scholars draw attention to the fact that during the ENP formulation stage, the Commission enjoyed a great deal of autonomy since the member states were preoccupied with other matters (mainly finalising the accession process) and did not pay much attention to the new emerging policy (e.g. Wallace 2003; Johansson-Nouges 2007; Bicchi 2007; Pelerin 2008).

Conceptualising this argument in PA terms, the member states' level of attention might be expressed in terms of 'political salience', i.e. "the significance, importance and urgency that an actor ascribes to a certain issue on the political agenda" (Oppermann 2008:182-3).⁹⁸ Taking this approach would involve, for example, analysing the number of times the initiative was mentioned in EU Communications, speeches and press conferences or examining how high the ENP was on the Council/European Council's agenda.

At first, this approach seems valuable, especially if we focus on the first few months of the policy formulation. For example, one could point out that during the GAERC meeting on April 15th 2002 the policy was not high on the list of priorities (point no. 9) while issues such as enlargement, illegal immigration and staff regulations were given a higher priority (GAERC Draft Minutes 2002a, see also GAERC 2002b, Copenhagen European Council 2002). However, this explanation does not hold water if we examine the later stages of the ENP formulation, in particular looking at the time-period subsequent to the publication of the Commission's Wider Europe Communication. The Communication attracted a wide range of responses from EU

⁹⁸ See more on PA and political salience in Egeberg & Trondal (2011), Elgie & McMenamin (2005) and de la Porte (2008).

members and was the high on the agenda during the GAERC meeting on March 18th 2003 (second item), and April 14th (first item) as well as on the Presidency's agenda (i.e. two Presidency non-papers and the European Conference). What is more, the initiative was discussed at great length within the working groups of the Council and on COREPER level (Interviews F, G, M, O, EU, see also Nervi 2011:82). Finally, the argument that the member states were too busy with enlargement seems rather weak; as one Official notes – “The member states were interested in the policy and enlargement was one of the reasons why the policy was created from the first place” (Interview N, EU).

Thus, another explanation might be that as long as the debate regarding the initiative was dealt within EU institutions, the member states were not in a hurry to provide a comprehensive input. However, once third parties were involved in the process, it created a more genuine threat for member states' interests who acknowledged the necessity of controlling the Commission. Thus, Pelerin maintains that the Council “was only able to gauge the consequences...when the Commission started to negotiate Action Plans with partner countries (2008:55). In this case, the importance of third parties has a slightly different meaning than the traditional PA use. Essentially, PA analysis usually discusses the role of third-parties in the context of fire-alarm *ex-post* control mechanism. Put differently, the principals establish procedures (e.g. access to information) that enable third-parties such as individual citizens or interests groups to monitor the agent and to report to the principal in case of violations of agency discretion (McCubbins & Schwarz 1984). Another perspective on how third-parties influence agency autonomy is to examine the permeability of agents⁹⁹ (Hawkins & Jacoby 2006). Here, however, the importance of third-parties is linked to their presence during the formulation stage of the ENP

⁹⁹ According to Hawkins and Jacoby, agent permeability “refers to institutional features of agents that allow non-principals to access an agent's decision-making process” (Ibid: 208). Essentially, Hawkins and Jacoby argue that third parties do not only act as *ex-post* fire-alarm control mechanisms but can also influence the agent's preferences. Therefore, increased agency permeability might create a situation where third-parties attempt to influence the agent against the principals' preferences.

(i.e. Action Plans' negotiations). Therefore, once the member states understood that the Commission was conducting discussions with partners, they immediately demanded to see the content of the documents that were given to partners in addition to stopping all discussions.

This leads us to ask the second question – is there also chance that the member states became actively involved at a later stage not because of lack of attention but rather due to lack of information?

As discussed earlier, information plays a prominent role in PA scholarship as it relates to the rationale behind the act of delegation as well as a key reason for agency losses. Referring to the situation described above, we focus on the Commission's hidden action and thus, on the agent's *ex-post* opportunism. Indeed, the intensive discussions about the new initiative call into question the assumption that the member states did not treat the policy as an important issue, especially once the Wider Europe paper was introduced. However, during the drafting of the Action Plans and the discussions with partners, it seems that the Commission was not too eager to keep the member states in the loop and the level of information sharing was affected accordingly (Interview K, EU; interview transcript, Kelly 2006). In retrospect, one interviewee admitted that it might have been a good idea if the Commission had asked for more input from the member states (Interview C, EU). Along the same lines, various interviewees acknowledged that there was “not much input from the member states' side. Interaction, if at all, was on informal basis” (Interview E, EU, see also interviews F, L, EU).

Under these circumstances, EU member states found themselves in a position where there is asymmetrical distribution of information favouring the Commission in regard to (a) the content of the ENP Action Plans, (b) the fact that the Commission is

conducting talks with partners, and (c) the content of the discussions with partners. Moreover, even after the Commission informed the member states about the policy's state of play, the situation became rather problematic for the member states since "already the timing suggests, that it was almost too late, to actually have a real impact on the policy as such, as all further documents had been agreed with no outstanding issues. It would seem strange to question everything, after having endorsed it previously" (Nervi 2011:86). Therefore, it could be argued that the Commission was exploiting a situation of information asymmetries and was in a position to shirk.

Still, the institutional quarrel was solved rather quickly when it was decided that during the discussions with partners, the Commission would be accompanied by representatives from the HR and the Presidency. This solution could be viewed as *ad locum* control mechanism, i.e. rather than *ex-ante* or *ex post*, the member states wanted to be involved and control the Commission during the negotiations phase (Kerremans 2006; Delreux & Kerremans 2010). Yet again, informational asymmetries might have also played a role in this context as "ad locum control mechanisms are not only instrumental for the principals, but also for the agents because they allow the agent to play strategically with information asymmetries between themselves and their principals" (Delreux & Kerremans 2010:365). The Commission was indeed being monitored more closely during the talks with partners, "but it was clear that we had an advantage of experience how to deal with the negotiations...the people from the policy unit talked during the negotiations but it was the Commission which had the real expertise" (Interview M, EU).

In the end, during the next few weeks from the freezing of discussions with partners until the official introduction of the ENP, there is no evidence to suggest any additional 'turf wars' between the Commission and the member states. As such, one Official noted that "the issue was solved fairly quickly" (Interview Q, EU) while

another recalled that “in any case, we sat with the member states and clarified the things that needed to be clarified” (Interview G, EU). By the same token, Nervi maintains that “it can be said that even if the debate got heated at this late stage, it only took two months to resolve all outstanding issues and allow the Commission to finalize the policy” (2011:87).

4.6 Analysing PA dynamics – ENP formulation stage

At this stage, we could draw initial conclusions on the role of the Commission and its influence as an informal agenda-setter. Indeed, it is quite remarkable to examine how the ENP was developed from a rather modest initiative towards the Eastern neighbours which aimed to keep “Russia in, Ukraine out and Moldova up” (Interview G, EU) to a grand strategy which was not only broader in its geographical scope but also in its objectives. Throughout almost all stages of the ENP formulation, the Commission was able to situate itself as the key player under the framework of the new initiative. The empirical analysis of the ENP formulation stage offers evidence which confirm the three research hypotheses.

4.6.1 H I: Information asymmetries and uncertainty

One senior EU Official recalled that “the whole process of the ENP’s formulation was completely chaotic” (Interview M, EU). Within this environment, one could indeed argue that the Commission worked under favourable conditions that affected its ability to influence the design and structure of the policy. Essentially, the member states were in agreement that ‘something has to be done’. Nonetheless, examining national positions and inquiries throughout the formulation stage, it could be said there was no definite and clear answer to questions such as: How would the initiative interact, institutionally/legally speaking, with existing instruments? How would the differentiation and conditionality principles be implemented? How would the focus on the Eastern and Southern neighbours be balanced? What is the best way to engage with the neighbours? And what is the policy’s end-game/*finalité* and how it affects

the aspiration for membership of the Eastern partners? Thus, there was a situation in which the consequences and future development were unclear (Pollack 1997:126) and the member states were not able to offer a solution which takes into account the geopolitical interests of all EU members.

Facing this level of high uncertainty, the member states had to rely on the Commission's input regarding how the EU could move forward with the initiative. In contrast, the Commission, as a very confident actor following its successive role during the enlargement process, had a much clearer idea of what could be done in the neighbourhood as one EU Official noted: "we had the ability and the instruments" (Interview Q, EU, see also Missiroli 2007b). Ultimately, the Commission was capable of putting forward a comprehensive proposal that included one crucial focal point (the inclusion of the South) and in doing so was able to attract support from East and South-oriented member states alike.

Informational asymmetries favouring the agent were also present during the formulation stage. First, there were informational asymmetries on the level of the agent's expertise and experience, in the words of Magen (2006:397):

"The Commission's prolonged engagement in the pre-accession process of the CEECs – including its formulation of the pre-accession strategy and its dominant role in negotiating, funding, and monitoring interactions with candidates for accession – has generated a cadre of professional expertise and a cohesive group identity with a concretized foreign policy agenda that seeks to further shape European external relations."

Against this background, the Commission, based on its vast experience in state transformation under the framework of Stabilisation and Association Process (SAP) in the Western Balkans and as the 'administrator' of the accession process of the

Central Eastern European Countries (CEEC)¹⁰⁰, aimed to copy the success of enlargement as well as the technical mechanisms used in the enlargement to the new framework of the ENP. As such, a Commission Official explains that “with its plethora of rhetorical devices, the Council of Ministers may have appeared as the most influential arbitrator of EU foreign policy. But when it came to ‘real’ foreign policy impact of the EU in the last decade, the power lay with the Commission” (Kelly 2006:31).

Second and more concretely, most of the interaction between the Commission and the member states was on informal basis and consequently the member states were kept out of the loop concerning the content of the Action Plans as well as of the Commission’s discussions with the partners.

In the end, the situation of uncertainty where EU members were uncertain about the possible ways of action towards the neighbourhood combined with informational asymmetries (hidden-action and expertise) favouring the Commission, enabled the Commission to play a significant role during the formulation stage of the ENP.

4.6.2 H II: Transaction-costs of negotiating and waiting

In this case, one should mention the Commission’s decision to use the Action Plans as the main instrument under the framework of the ENP as well as offering to build the initiative on the basis of existing legal mechanisms. The Action Plans, as political road-maps for the implementation of the ENP and the Commission’s suggestion that the Action Plans will be approved by Council decision and later on by AA/PCA’s Councils means that the adoption of this instrument would not require the laborious

¹⁰⁰ Not to mention its previous engagement with the Southern and Eastern neighbours.

process of negotiating a new type of agreement which goes beyond the scope of the Association/Partnership and Cooperation Agreements (which are already mixed agreements and thus required to be ratified by all member states and signed by both EU members and the Community). Also, the easy process of adoption helps to avoid legal and procedural questions such as “who shall negotiate a cross-pillar mixed agreement; which procedure shall be followed in its adoption; where does responsibility for its breach lie” (Van Vooren 2009b:21).

In addition, time has certainly played a role in the formulation stage. First, as mentioned in chapter two (see 2.4), the rationale behind the act of delegating agenda-setting powers is to save time and avoid the endless cycling of policy proposals (Pollack 1997). In the case of the ENP and ‘soft’ agenda-setting, the member states tasked the Commission (and the HR) to work on the design of the policy and to submit proposals while indicating an exact time-frame for the Commission’s work (e.g. GAERC 2002a, 2002b, 2002c, 2003a, 2003b, 2003d). Second, one of the key reasons for the establishment of the ENP was the 2004 enlargement and the need to “avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union” (COM 104 final, 2004:4). Thus, in December 2002, following the European Council in Copenhagen which stated that “the Union now looks forward to welcoming these States as members from 1 May 2004” (Copenhagen Council 2002:1), “there was some pressure to do something in the neighbourhood before enlargement takes place” (Interview O, EU). In fact, already in November 2002, the Council asked “to prepare as soon as possible more detailed proposals on how to take this initiative further” (GAERC 2002c:13). Along the same lines, one EU Official noted that “once we had a formal date for accession, it was agreed that something has to be done for the neighbours” (Interview F, EU).

Another relevant aspect that is related to time-pressure was the consequences of freezing the discussions between the Commission and the partners. Since “the

original idea was to go out with the Strategy Paper at the same time with the Action Plans” (Interview K, EU) and due to “pressure from the willing partners to launch the policy” (Interview G, EU); it is doubtful whether there was a real possibility that, at such a late stage, the member states would have been able to revise the policy, change its general guidelines or cancel it altogether. This is especially true taking into account that negotiations between the Commission and the partners had already started (See also Nervi 2011; Pelerin 2008; for more general PA perspective, see Delreux & Kerremans 2010).

4.6.3 H III: Stages of the policy process

At the very beginning of the policy formulation stage (January 2002 to April 2002), the only input came from two principals (UK and Sweden) and the Commission, as an agent, was not involved. However, from April 2002, once the Council tasked the Commission (and the HR) to work on policy proposals, the Commission started to be much more active.

Based on the Commission’s previous ideas to establish a policy towards the entire neighbourhood, the Commission used the policy window and pushed hard towards a wide-ranging initiative in terms of both geographical scope (East and South) and policy areas (cross-pillar). As such, much like Krause's (2003) analysis of the Commission's influence on the CFSP aspects of the EU's Africa Policy – "The Commission strategically utilized the Member States’ initial appeal for an EU initiative...[and] only had to follow the path that had been laid by the Member States themselves and specify it according to its own interests" (Ibid:234).

Examining the later stages of the formulation stage, we could see that, albeit attempts by other policy entrepreneurs to navigate the course of the emerging initiative towards their own institutional (HR) or geopolitical (member states) preferences; the

Commission was able to take the lead and produced a very ambitious proposal on the new initiative (COM 104 final, 2003). In addition, the Commission managed to situate itself as a leading actor not only concerning the policy's design but also in regards to the talks about the Action Plans with ENP partners.

Still, there were some limitations to the Commission's strategies. First, although the strategy of issue-linkage used in the Wider Europe Communication placed the Commission at the center of the emerging initiative, the member states were not necessarily very enthusiastic to endorse every aspect of the Commission's proposal, especially in respect to offering the partner countries the four freedoms as an incentive for reforms. Second, the broad interpretation of the Commission of its mandate to engage in discussions with ENP partners provided the Commission with the opportunity to be the key, and in fact, only negotiator. However, this was only temporary since once the member states found out about the Commission's negotiations with ENP partner countries (i.e. agency shirking), they have become much more involved in the policy, asking more questions, articulating their concerns regarding specific elements within the policy and in general increasing their oversight of the Commission.

That being said, there is still a need to examine how the Commission was able to influence the ENP in later stages of the policy development.

4.7 Summary

To conclude the ENP formulation stage, the Commission could be viewed as the ENP's frontrunner. Indeed, in different stages of the ENP formulation, the HR and various EU members (as well as candidate countries) have given their input on the emerging initiative but it was the Commission, as the most successful informal agenda-setter, who eventually became the sole designer of the policy.

Testing the empirical data against PA assumptions on PA relationships in general and the three research hypotheses in particular, we could reach the following conclusions. First of all, the Commission has behaved as expected, 'ticking all the right boxes' of PA assumptions on the Commission as an opportunistic, competence maximiser and integrationist agent. When the UK and Sweden offered to create an initiative for EU's neighbours, the Commission used this window of opportunity to push forwards its earlier ideas of establishing a grand strategy for the neighbourhood. Moreover, in its proposals, the Commission offered to create a cross-pillar foreign policy while emphasising the internal market component. In so doing, the Commission aimed to expand its powers to the intergovernmental sphere of EU foreign policy as well as bringing the EU to unprecedented proximity with non-member/candidate states.

Referring to the principals, they also acted according the PA assumptions. In other words, once the member states identified that the Commission was acting beyond its competences (i.e. shirking); they reacted by exerting more control on the agent and establishing *ad locum* control mechanism.

Concerning the study's hypotheses, the empirical data confirmed the theoretical assumptions of hypotheses I and II. The Commission used its information advantage, its technical expertise in dealing with political and economic transformation processes and high uncertainty among the member states, to establish itself as the main policy entrepreneur during the ENP formulation stage. Also, the Commission was capable of offering a policy framework which is not only based on some focal points which could bring all member states 'on board' but also placed itself at the center of the new initiative. Finally, as for the third hypothesis, although the analysis revealed that the Commission's influence was indeed high, the hypothesis could be confirmed only once we compared the findings of the formulation stage to those of the finalisation and implementation stages.

On May 12th 2004, the Commission introduced its Communication - 'European Neighbourhood Policy – Strategy Paper' (COM 373 final, 2004) and it was endorsed by the Council (GAERC 2004b:11-4) and the European Council (Brussels Council 2004:14) in June 2004. In-depth examination of the ENP's *modus vivendi* following the ENP Strategy Paper and the endorsement of the ENP action plans will be the focal point of the next chapter.

Chapter 5: Last fine-tuning - finalising the ENP

"The Commission invites the Council to approve the orientations contained in the present Communication and to draw up conclusions on the way to carry this initiative forward" (COM 373 final, 2004:28)

This chapter is the second analytical chapter dealing with the evolution of the ENP. The previous chapter provided us with a detailed historical analysis of the ENP formulation stage, and examined the development of the policy from a rather moderate policy towards three Eastern neighbours to a grand strategy towards the entire neighbourhood.

The focus of this chapter is the ENP finalisation stage. It provides an in-depth investigation on the time-period between May 2004 and December 2006. In theoretical terms, I continue to focus on the interaction between the member states and the Commission while testing the empirical data against the three research hypotheses.

Referring to the structure of the chapter, the first part provides an analysis of the ENP's core elements as articulated by the Commission's ENP Strategy Paper while the second part compares between the Strategy Paper and the Wider Europe Communication. As mentioned in chapter four (see 4.3), the Wider Europe paper was the first comprehensive proposal submitted by the Commission while the Strategy Paper, issued by the Commission in May 2004, is considered to be the final blueprint of the initiative. Thereafter, the third part examines the Strategy Paper using PA lens. The focal point of the fourth part is the member states and their endorsement of the ENP and the Commission's Strategy Paper. Then, the fifth part examines the German proposal of creating a new policy towards the East – the 'ENP Plus'. The sixth part discusses the new financial regulation of the ENP while the subsequent part analyses the first series of the Commission's reports on the ENP development. Thereafter, the

eighth part offers an overview on the interaction between the principals and the agent during the finalisation stage. In this part, the three theoretical hypotheses will be examined against the empirical evidence. Finally, a brief summary is provided.

5.1 The ENP Strategy Paper

After a formulation stage which lasted almost two and a half years, on May 12th 2004, the Commission finally introduced its 'European Neighbourhood Policy – Strategy Paper' (COM 373 final, 2004). The objective of this section is to review the main elements of the ENP, as described in the Strategy Paper.

First and foremost, the Communication stated that the ENP's objective is "to share the benefits of the EU's 2004 enlargement with neighbouring countries in strengthening stability, security and well-being for all concerned" (Ibid:3). Nonetheless, it affirmed that even though the ENP aims to bring partners closer to the EU, the ENP is not enlargement, and the relations with the ENP partners are "distinct from the possibilities available to European countries under Article 49 of the Treaty on European Union" (Ibid: Ibid).

Second, the Action Plans are the main instrument for the implementation of the ENP and "define the way ahead over the next three to five years" (Ibid:5). They are founded on two main principles, namely joint-ownership and differentiation. Joint-ownership is based on the argument that the Action Plans are not determined by the EU but negotiated between the EU and the partners. Alternatively, the rationale behind the principle of differentiation is the recognition that every partner is different. Every ENP country has different capacities, political, economic and social situation and naturally different interests and concerns. Therefore, every Action Plan is designed to meet the specific situation and needs of every ENP partner. Yet, even though the Action Plans are based on the differentiation principle, the main areas of

cooperation which are common to all neighbours are as follows: political dialogue; economic and social development ; trade and internal market; justice and home affairs; energy; transport; environment; information society; research and innovation; and people-to-people, programmes and agencies.

As for the financial instrument, the Commission recommended the use of existing financial frameworks (MEDA for the South and TACIS for the East) until 2007 (the new budgetary period). From 2007, the Commission suggested to create a new financial instrument - European Neighbourhood Instrument (ENI). The ENI, according to the Communication, "will complement assistance provided under the existing financial instruments or their successors, and will focus specifically on cross-border cooperation and related activities" (Ibid:25-6). Concerning further steps for the development of the ENI, the Commission proposed the creation of a single regulation for funding activities internally and externally while in operational terms, the ENI would be based on single management mechanism and procedures.

The Communication also provided an overview regarding the ENP implementation procedures. First, on the basis of the Commission's country reports, explanatory talks between the Commission (with the HR/Presidency) and the partners are held. Then, the final drafts of the Action Plans are forwarded to the Council for approval. At this stage, the Commission recommended that the Action Plans will be approved by the AA/PCA Councils; this act, according to a senior Commission Official, is intended to give them "a minimum of legal basis" (Interview M, EU).

Referring to the monitoring of the implementation process, instead of creating new arrangements, the monitoring process is based on the existing bodies set up by the AA/PCA. Additionally, the Commission is expected to write periodic reports concerning the progress of implementation. On the basis of these reports, it will be

decided whether there is a need for the Action Plans to be amended. Also, the Strategy Paper recommended that the Commission (and the HR where appropriate) will prepare two additional mid-term reports, two and three years from the Action Plans' approval. Thereafter, these reports "can serve as a basis for the Council to decide the next step in contractual links with each partner country" (COM 373 final, 2004:10). According to the Communication, one possibility for developing new institutional links with partners is the establishment of new European Neighbourhood Agreements which will replace the existing contractual relations. Finally, the Council was asked to take into consideration the Commission's proposals and to provide further guidance on how to take the initiative forward.

Despite the fact that many aspects which were mentioned in the Wider Europe Communication can be found in the Strategy Paper, I identify four main differences between both Communications, namely the geographical scope, the offer, the price, and the attitude towards conditionality.

First, the geographical scope has changed in two ways: (a) Russia declined the EU's offer to be included in the ENP and thus "the EU and Russia have decided to develop their strategic partnership through the creation of four common spaces"¹⁰¹(COM 373 final, 2004:6); (b) the Wider Europe Communication stated that "given their location, the Southern Caucasus therefore also fall outside the geographical scope of this initiative for the time being" (COM 104 final, 2003:4). However, the Commission suggested that the Council will include Armenia, Azerbaijan and Georgia in the ENP (COM 373 final, 2004:10).¹⁰²

¹⁰¹ Still, the Commission recommended that Russia will be supported under the ENP's new financial instrument.

¹⁰² Also following the ESS, which identified the Southern Caucasus as an area of strategic interest for the EU (Solana 2003:8) and following consultations between the Commission and the HR (and EP's recommendations).

Second, following Prodi's idea to offer partners 'everything but the institutions', the Wider Europe Communication offered the partners a stake in the Internal Market (including the four freedoms) and acknowledged that "if a country has reached this level, it has come as close to the Union as it can be without being a member" (COM 104 final, 2003:10). Moreover, the long-term goal was to reach a level of integration that will "resemble the close political and economic links currently enjoyed with the European Economic Area" (Ibid:15). Yet, the generous proposal to give the partners the four freedoms was eventually omitted in the Strategy Paper. Instead, the key incentive is being offered is "obtaining a stake in the EU's Internal Market" (COM 373 final, 2004:3).

Third, the Wider Europe Communication affirmed that if the partners wish to benefit from the new policy, they would have to align their legislation to the EU's *acquis communautaire* (COM 104 final, 2003:4, 10). Nonetheless, although partners are still required to implement political, economic and social reforms, the idea that they will have to align to the *acquis* is also absent from the Strategy Paper.

Fourth, there is a change in the attitude towards conditionality. On the one hand, the Wider Europe Communication used a stricter language when it discussed conditionality, for example "in return for concrete progress" (Ibid:4); "in the absence of progress, partners will not be offered these opportunities" (Ibid:16); and "engagement should therefore be introduced **progressively**, and be **conditional on meeting agreed targets for reform**" (Ibid: Ibid, emphasis in original). On the other, the Strategy Paper used a much 'softer' approach in order to describe what the ENP is about. As such, clear-cut terms like 'in return', 'concrete progress' and 'benchmarks' are rarely used or not used at all in the Communication (see also Kelly 2006; Magen 2006).

5.2 The Strategy Paper – PA perspective

Based on the aforesaid, I analyse the Strategy Paper using PA approach. The following paragraphs review the control mechanisms (*ex-ante*, *ad locum* and *ex-post*) available to the member states under the framework of the ENP and their effect on the level of the Commission's discretion. Thereafter, I examine whether there is a change, in comparison to the formulation stage, in regards to the agency behaviour.

5.2.1 The Strategy Paper – institutional design

As mentioned in chapter two (see 2.3), *ex ante* control aim "to limit the scope of agency activity and the possibility of agency shirking" (Pollack 1997:108). Under the ENP framework, the Commission is required to ask for the Council's mandate in order to start consultations with the ENP partners. Noteworthy is that the Commission is no longer the sole negotiator as representatives from the Presidency and the HR are also taking part in the talks. This procedure was established as an *ad locum* (Kerremans 2006) control mechanism following the inter-institutional quarrel in early 2004.

As for *ex post* controls, they "consist of the various institutional mechanisms that principals can use to (a) monitor agency behaviour, thereby correcting the informational asymmetry in favour of the agent, and (b) influence agency behaviour through the application of positive and negative sanctions" (Pollack 2003:27). In the ENP, following the negotiation process, the Commission requires the endorsement of the Council before the Action Plans are approved and any further institutional development (e.g. signing new agreements) will have to go through the Council. It is also important to recall that the ENP did not create new institutions or bodies and the relationship between the EU and the ENP partners is still governed by the existing AA/PCA institutions. As such, the member states take part (together with the Commission and partners) in the AA/PCA Councils (on a Ministerial level) and the AA/PCA Committees (on senior Officials level).

Moreover, the member states can monitor the Commission through the various Council bodies. For technical and day-to-day issues there are the geographical working groups such as MAMA (South) and COEST (East), and regarding key political issues, decisions are made under the work of the COREPER, the Council and the European Council (Interview B, EU; Interviews A, I, MS; Tulmets 2008). Moreover, the Commission is required to submit to the Council annual progress reports (individual reports as well as overall assessment) and mid-term reports on the ENP. Finally, the Commission is being closely monitored under the management committee procedure (Pelerin 2008; Tulmets 2008; Interview I, MS).

Notwithstanding the aforesaid, in almost all procedural aspects, the Commission still enjoys a high level of discretion. First, the Commission is the sole actor who writes the ENP country reports. Thereafter, during the negotiations process, the Commission is the main negotiator while the HR/Presidency participation is foreseen when political cooperation and CFSP matters are discussed. Indeed, the Council has the final say as the Commission needs its endorsement for the Action Plans, but as Pelerin argues "it would be difficult to radically question an agreement that has been reached by the partner country and the Commission after extensive negotiations" (2008:56).

Third, as for the monitoring and evaluation process, the Commission is (again) the key actor. The Commission is responsible for collecting information about the implementation of the Action Plans and providing the Council with progress and mid-term reports. Thus, Wissels maintains that "the monitoring process is largely managed, on a day to day basis, by the European Commission" (2006:14). Equally important is that the implementation procedure situated the Commission not only as the main actor for policy implementation but also under the ENP, it is the leading agenda-setter as it is the key actor responsible for writing up the Action Plans.

5.2.2 The Strategy Paper – the Commission takes stock of past experiences and member states' preferences

The Commission stated that the ENP Strategy Paper is founded on previous Communications (Solana and Patten's letter/Wider Europe) as well as based on mandate provided in the Council and European Council's decisions (Thessaloniki European Council 2003; GAERC 2003d, 2003e). Furthermore, the Commission mentioned its contribution to the "detailed discussions in the Permanent Representatives Committee and the relevant Council working groups, concerning the possible elements to be included in European Neighbourhood Policy (ENP) Actions Plans" (COM 373 final, 2004:2).

The above statement by the Commission could be attributed to member states' previous accusations that they were kept out of the loop. Put differently, the agent, following earlier conflict with its principals, tried to be more careful in its actions as well as painting a rosy picture of itself as an obedient servant. This is supported by the Commission's subsequent statements where it avowed that "the parts of these Action Plans related to enhanced political co-operation and the Common Foreign and Security Policy have been worked on and agreed jointly by the services of the Commission and the High Representative" (Ibid: Ibid) and that the negotiations with the partners were in fact only "exploratory talks" (Ibid: Ibid). Finally, referring to future dialogue with partners, the Commission assured that "the Presidency and the Secretariat will be fully involved in this process and the Member States consulted on the timing and the contents of possible additional Action Plans" (Ibid:7).

Discussing the main elements of the emerging ENP, and to some extent as a response to previous reluctance of the member states after the introduction of the Wider Europe Communication, the Commission defended the policy's cross-pillar nature by referring to the Constitutional Treaty and the European Security Strategy (Ibid:6). The reference to previous decisions is well-documented strategy to push forward one's position, in the words of Cram: "European Summit or Council conclusions

often, at least, provide the justification for the introduction of a research project or an action programme or may help to obtain agreement to a recommendation, an opinion, or a resolution from the Council or Ministers” (1997:107-8, see also Peterson 1995; Tallberg 2000). Furthermore, since it was not very clear to the member states how the ENP could contribute to existing frameworks, the Commission dedicated a section in the Communication to the added-value of the ENP (COM 373 final, 2004:8-9).

As for the amendments made in the Strategy Paper in comparison to the Wider Europe Communication (offer, price and conditionality), it is evident that the initiative has been scaled down extensively since Prodi’s visionary speeches in 2002. Essentially, member states’ reluctance to accept the Commission’s position was already discussed in chapter four as well as the different position papers which followed the introduction of the Wider Europe Communication (see 4.3.2, 4.4). Against this background and based on the fact that the member states became much more involved in the ENP shortly before the Strategy Paper was introduced (i.e. freezing the talks and implementing *ad locum* control), one can argue that the changes which were implemented in the Strategy Paper were due to member states’ control.

Nonetheless, a senior EU Official who was involved in the writing of the Strategy Paper argued that “the changes between the papers are not due the member states’ input” (Interview L, EU) but a result of an internal discussion in the Commission. Additionally, Nervi maintains that “looking at the two documents proposed by the Commission...it becomes clear that most of the work concerning the ENP was done from the Commission and only ‘nuances’ were added by COREPER” (2011:134). As such, I might encounter the problem of ‘observational equivalence’ - if “principals do not complain about agents’ actions, it cannot be automatically concluded that either agents comply or principals fail to control” (Dür & Elsig 2011:329-30). Therefore, a

more suitable observation to explain the behavior of the Commission is to argue that the agent "rationally anticipate the preferences of the member states" (Pollack 1997:130) and thus made the necessary amendments to the Communication.

5.3 The Strategy Paper – general endorsement

In preparation for the June Council meeting, a joint meeting was held by the COEST and MAMA working groups on June 7th 2004. In the meeting, the working groups agreed on the Council conclusions regarding the ENP and the Council General Secretariat forwarded the draft conclusions as an 'A' Item to the COREPER (Document 10292, 2004). However, prior to the Council meeting, Poland asked to include a unilateral statement in the Council's minutes that it "would like to underline that the ENP should not prejudge developing further long term relationship between European new neighbours and the EU" (Ibid: ADD1:2).

At the GAERC meeting on June 14th, the Council welcomed the Commission's Strategy Paper and stated that the Communication constitutes an excellent basis for further work. Regarding the geographical scope, the Council affirmed that Russia will not be included in the ENP while the Southern Caucasus partners (Armenia, Azerbaijan and Georgia) were given the possibility to join the ENP (GAERC 2004b:11). Furthermore, the Council approved the main aspects of the ENP and its Action Plans (e.g. common values, joint-ownership, differentiation) and acknowledged that "it will be essential to maintain the coherence and unity of this policy, in its content, instruments and final goals" (Ibid:11). As for monitoring procedures, the Council agreed that the monitoring process will be based on existing frameworks (AA/PCA) but also "deemed that the structures under the relevant agreements, where appropriate, should be reviewed, to ensure that all priorities under the ENP are duly reflected" (Ibid:12). The Council also approved the idea of individual progress reports but asked in addition that the Commission would present an overall progress report to the Council.

Referring to the next steps to get the ENP in motion, the Council invited the Commission to finalise talks with the first group of ENP partners "in close co-operation with the Presidency, the SG/HR and, as appropriate, the EUSR for the Middle East Peace Process, on issues related to political co-operation and the CFSP" (Ibid:12). Final proposals for the Action Plans needed to be submitted before summer 2004 and to be endorsed, after Council's approval, by the PCA/AA Councils. Moreover, the Council invited the Commission (and the HR) to begin talks with other Mediterranean neighbours whose AA have entered into force or have been ratified. As for the financial instruments, the Council confirmed the Commission's proposal of using MEDA and TACIS, and from 2007 onwards to include the ENI, and looked forward to formal Commission proposals on the instruments by July 2004. Finally, the Council noted the Commission's idea to create new neighbourhood agreements and stated that "consideration will be given in due time to the advisability of any such new contractual arrangements in the context of the ENP" (Ibid:14).

By the same token, on June 18th, the European Council welcomed the ENP Strategy Paper and endorsed the GAERC conclusions. Moreover, it welcomed the enhanced talks with the first wave of ENP partners as well as the inclusion of the Southern Caucasus countries to the policy. Lastly, the European Council approved the beginning of talks with Mediterranean partners with AA in force and noted that the first Action Plans will be presented in July 2004 for the Council's consideration (Brussels European Council 2004:14).

Following the June GAERC and the Brussels European Council's conclusions, on September 29th, the Commission presented its proposal for the regulation of the new financial instrument – the European Neighbourhood and Partnership Instrument (COM 628 final, 2004) and on December 9th submitted its Communication on the Action Plans following the completion of talks with the first group of partners (COM

795 final, 2004). In the Communication, the Commission provided a brief overview of (a) the ENP's objectives (to share the benefits of enlargement); (b) the main policy fields included in the Action Plans (e.g. political dialogue, trade and transport); (c) the legal basis (AA/PCA Councils); and (d) the ENP's implementation procedure (e.g. country reports and periodic progress reports). Along with this Communication, the Commission also published its final drafts of the Action Plans.

On the same day and in preparation for the next GAERC meeting, the COEST working group forwarded to COREPER its draft Council conclusions on the ENP (Document 13698, 2004) which was adopted by the Council on December 13th 2004 (GAERC 2004c). In its conclusions, the Council endorsed the Action Plans for the first group of partners as well as repeated the importance and main elements of the policy. In addition, the Council reiterated the agreed procedures of the implementation process.

As for further work, the Council invited the Commission (and the HR) to continue working on the country reports of the second group of countries (Egypt, Lebanon, Armenia, Azerbaijan and Georgia), to be presented to the Council by March 2005. Finally, the Council "invited the Committee of Permanent Representatives to prepare the necessary decisions enabling the Co-operation or Association Councils with the respective ENP partners to confirm these action plans and to launch their implementation" (Ibid:9). Subsequently, two months later, during the GAERC meeting on February 21st 2005, the Council adopted the APs of five ENP Mediterranean partners – Israel, Jordan, Morocco, Tunisia and the Palestinian Authority (GAERC 2005a:9) and two Eastern partners – Moldova and Ukraine (GAERC 2005b:14).

Following the Council's invitation to keep working on the next group of partners and the conclusion of the partners' country reports, the Commission issued its recommendations for Armenia, Azerbaijan, Georgia, Egypt and Lebanon on March 2nd 2005. Based on the country reports for the Southern Caucasus and Mediterranean neighbours and the general orientation for Action Plans provided in this Communication, the Commission recommended that work should begin on the Action Plans as soon as possible (COM 72 final, 2005).

In prospect of the GAERC meeting, the COEST and MAMA working groups held a joint meeting on April 14th 2005 and forwarded the draft Council conclusions to the COREPER as an 'A' Item (Document 8072, 2005) and on April 25th the Council endorsed its conclusions on the ENP (GAERC 2005c). In its conclusions, the Council welcomed the Commission's country reports on the second group of ENP partners as well as the Commission's Communication from March and affirmed that these Communications constitute a good basis for further work. Furthermore, it noted that the Commission started discussions with Egypt and Lebanon and invited the Commission to begin joint discussions with the Southern Caucasus partners (Ibid:11-2). Subsequently, the European Council of June 16th 2005 welcomed the conclusion of the first group of Action Plans and the work which began on the second group (Brussels European Council 2005a:12-3).

On November 22nd 2005, Benita Ferrero-Waldner, the Commissioner for External Relations and Neighbourhood Policy, issued a Communication to the Commission on the ENP (SEC 1521, 2005). In the Communication, Ferrero-Waldner provided an overview of the ENP's main objectives and instruments. In addition, the Communication offered a brief summary of the main accomplishment so far (e.g. the conclusion of consultations and the work on the ENPI). As for future objectives, the Commissioner listed a few key tasks to be included in the Commission's work in 2006-2007, among which are: work on the second group of Action Plans; ensuring

adequate finance for the ENPI; preparation of oral reports to the Council and EP; and work on the first progress reports which include individual progress reports for each partner country and an overall assessment. Ferrero-Waldner also emphasised the issue of visibility and urged that “Commissioners and senior officials should take every opportunity to highlight the objectives, methods and achievements of ENP in visits, meetings and other contacts with ENP partners, EU Member States and EU institutions” (Ibid:6). Finally, relating to the role of the member states, Ferrero-Waldner stated that “the full support of Member States should be enlisted for delivery in such areas as visa facilitation, as well as the overall issue of the financing of the ENP” (Ibid:7).

On December 12th 2005, following a presentation of Ferrero-Waldner on the ENP's achievements, the GAERC briefly stated that the "ENP is aimed at building a zone of increasing prosperity, stability and security in the EU's neighbourhood, in the interests of both the neighbouring countries and of the EU itself" (GAERC 2005d:9). Three days later, during a meeting of the European Council, the Presidency welcomed the progress made on the implementation of the Action Plans for Israel, Jordan, Morocco, the Palestinian Authority and Tunisia. Also, it acknowledged that negotiations with Egypt and initial consultations with Lebanon have started and invited the Commission to work on a country report for Algeria in preparation for negotiations on an action plan (Brussels European Council 2005b:22). Six months later, in June 2006, the European Council “reiterates the importance it attaches to the European Neighbourhood Policy as a means to strengthen cooperation with its neighbours and expand prosperity, stability and security beyond the borders of the European Union” (Brussels European Council 2006:22).

Following the member states' collective response (i.e. in the Council/European Council) and further work on the ENP after the introduction of the Commission's

ENP Strategy Paper, it is worthwhile to go back and take a closer look how the Commission's Strategy Paper fitted the interests of individual member states.

5.4 The Strategy Paper – member states' endorsement

Essentially, the Commission's Strategy Paper was endorsed by the member states without further debate (GAERC 2004b). Also, there is no evidence (e.g. position papers or official Communications) to support a claim that EU members were not satisfied with the Commission's Communication of May 2004.¹⁰³ Nonetheless, due to the fact that during the formulation stage we witnessed that the member states had various standpoints concerning the main elements of the ENP (e.g. conditionality, South vs. East, EU membership), I examine to what extent the Commission's Communication was actually in line with member states' preferences.

Germany – Throughout the formulation stage, Germany did not play any substantial role. Traditionally an East-oriented country, Germany was much more interested in the situation in Eastern Europe with a special focus on Russia. In fact, "the debates which took place at the Bundestag between 2002 and 2005 indicate that Russia was mentioned in all discussions on the neighbourhood" (Kratochvíl & Tulmets 2010:138). What is more, in parallel to the preliminary discussions on Wider Europe, Germany, in cooperation with Poland, worked on an initiative towards Belarus, Moldova, Ukraine and Russia. The initiative resembles, to a large extent, the ideas presented in early ENP Communications, i.e. close cooperation with partners to the level which is just short of membership (Nervi 2011:107-8; Kempe 2006:28).

¹⁰³ In fact, Poland is the only member state which showed explicit signs of disapproval of the policy.

Then again, the expansion of the initiative towards the South was not necessarily in contradiction to German interests. Put differently, even though it has an Eastern orientation, Germany, in comparison to Poland for example, had (a) a more moderate and open approach towards the question of EU membership for ENP Eastern partners, and (b) saw the rationale in including the South as it keeps the East-South balance within the EU (Nervi 2011; Kratochvíl & Tulmets 2010; Lippert 2007). Thus, it could be argued that since the Commission's Communications were in line with German ideas, Germany did not to feel the need to be very active (Nervi 2011:108).

Examining the Strategy Paper, it seems that not only the Commission's Communication was in line with German interests but most of the German concerns were also addressed (as articulated in the COREPER meetings in March 2004): the question of future membership was left rather open as stated in the Communication that the ENP is "distinct from the possibilities available to European countries under Article 49 of the Treaty on European Union" (COM 373 final, 2004:3); the balance between East and South was kept; Russia was excluded from the policy and got its Strategic Partnership; and the Commission clarified how the policy will bring added-value to exiting frameworks (Nervi 2011; Lippert 2007b).

France – France also considered its relations with Russia as a top priority. However, while Germany is traditionally an East-oriented country, the French interests lie in the Mediterranean. In fact, this comes as no surprise since "historically, culturally and by geographical location, France is a Mediterranean country" (Lefebvre 2006:21). Furthermore, France was never too thrilled with the prospect of further enlargement or in the words of Lippert "unequivocally opposed" (2007:7). Therefore, France supported the ENP providing there is no discussion about the prospect of EU membership for the Eastern partners (Lefebvre 2006:17).

As a South-oriented country which opposed the idea of further enlargement, France was in favour of creating a balance between East and South. Thus, instead of creating an initiative towards the East, France "was supportive to the idea that the South and the East should be included in the framework of the ENP" (Interview B, MS) and "did its best to avoid the creation of an autonomous EU policy towards the East" (Kratochvíl & Tulmets 2010:147, see also Copsey 2007).

As such, the Strategy Paper also matched, to a large extent, French interests and concerns: the ENP is distinct from enlargement and the question of membership was left open; as the South was included in the policy, the EU's focus did not shift to the East; Russia was being dealt outside of the ENP framework; and the ENP did have added-value in comparison to existing frameworks as in comparison to the EMP, the ENP underlines principles like joint-ownership (Kratochvíl & Tulmets 2010:148).

United Kingdom – It seems that even though the UK could be considered as one of the ENP's 'godfathers' (Copsey 2007:12), it did not take any strong position during the intense debates concerning the initiative. For example, despite the fact that the original British proposal was aimed towards the Eastern neighbours, the UK also demonstrated "a sense of realism in accepting a geographical South/East balance" (Lippert 2007b:182). As for the question of EU membership, the UK was in favour of offering the prospect of membership to the Eastern partners (especially to Ukraine) (Copsey 2007; Lippert 2007). However, not only could the British motivation for further enlargement be seriously questioned, providing its traditional stance on the European project, but also the fact that the UK is in favour of further enlargement does not necessary make enlargement a top priority to the British government (Copsey 2007:13). The only issue which conflicted with the British preferences was how the Commission would deal with political conditionality. While the UK was in favour of strict political conditionality, i.e. concrete benchmarks which correspond to concrete rewards/incentives (Information Note 2004; Lippert

2007), it had to give in to the use a softer version of conditionality or 'positive conditionality' (Kelly 2006:35-6).

In light of the above, it can be said that the UK endorsed the ENP Strategy Paper (even if it was only a passive endorsement) since, to a great extent, the main elements of the policy did not conflict with British interests.

Italy – It can be argued that Italy, like Germany, was not actively involved in the formulation stage because the Commission/Prodi's ideas were in line with Italian interests, in the words of a former Cabinet member of Prodi: "there was absolutely no need for Italy to push for an own line of preferences with regard to a future proximity policy. What Prodi was proposing was fully in line with Italian preferences" (Nervi 2011:100).

For Italy, like Germany, France and the UK, the relations with Moscow were of great importance and there was a need to avoid a situation where the emerging ENP would endanger the relations with Russia. Moreover, Italy, as a South-oriented country with major interests in the Mediterranean, supported the idea of the inclusion of the Southern neighbours and thus creating a balance within the EU between East and South while having an institutionalised commitment towards the South. Also, the balanced approach has an effect on the Italian position concerning the question of EU membership. Put differently, as the EU's focus shifted towards the East following the 2004 enlargement round, Italy was against offering European perspective to the Eastern partners under the framework of the ENP because this offer will impairment East-South balance even more. Finally, Italy, similar to France, favoured a strong emphasis on joint-ownership while using a softer version of conditionality (Information Note 2004; SI 212, 2004; Nervi 2011; Lippert 2007, 2007b).

Taking the above into consideration, Italy did not have any reason to object the Strategy Paper. The Commission's Communication stated that (a) the ENP is a distinct process from enlargement; (b) the East and South balance was secured; (c) EU's relations with Russia were institutionalised; and (d) instead of implementing strict conditionality, the Strategy Paper used a more flexible form of conditionality.

Sweden – Together with the UK, Sweden could also be viewed as one of the original initiators of the ENP. As discussed in chapter four (see 4.1), Sweden suggested expanding the geographical scope of the policy to include the Mediterranean neighbours. Thus, even though Sweden traditionally looked towards the East, it was in favour of having an ENP which includes the Southern partners as well. Nonetheless, Sweden also supported offering an 'open door policy' to the Eastern neighbours, i.e. an ENP which will not be a substitute of enlargement and will not prejudice the question of future membership. Referring to conditionality, Sweden, (again) like the UK, wanted to include a stricter form of conditionality while giving a special focus to political reforms (SI 190, 2004; SI 212, 2004; Nervi 2011; Lippert 2007, 2007b).

Indeed, examining the Strategy Paper, it could be argued that only some of the Swedish preferences were included in the Strategy Paper. For example, while the Southern partners were included in the policy, there is no explicit reference to suggest that the EU is supportive of the European perspective of the Eastern neighbours and the language of conditionality which was present in the Wider Europe paper was toned down. Notwithstanding the aforesaid, I am in agreement with Nervi who argues that "it would be counterintuitive to think a country that initiated the debate on neighbourhood relations and that has been pursuing stability and democratic development in its near abroad as a top foreign policy priority, would not be supportive of the ENP" (2011:92).

Poland – Even before it became an EU member and throughout the formulation stage, Poland was a very active player, and according to Kratochvíl, "the only country that expressed a serious interest in shaping the ENP before 2004" (2007:191). Poland, as an East-oriented country, had two major objectives: (a) creating an Eastern policy towards Belarus, Moldova and Ukraine (without Russia), and (b) offering the prospect of EU membership first and foremost to Ukraine, but also to Moldova and eventually to Belarus. As such, Poland passionately advocated a stronger commitment towards the Eastern neighbours. In addition, "Poland has vigorously opposed all attempts to cast the nascent ENP as a substitute for enlargement" (Ibid:193).

Considering the aforesaid, the Strategy Paper was a great disappointment for Poland. The idea to include the South did not attract much support from the Polish government but more importantly, the prospect of EU membership which "is seen by the Poles as the best way to motivate countries to undertake reforms and stick to the commitments made towards the EU" (Buras & Pomorska 2007:38), was omitted from the Communication. Still, as all new member states accepted the major outline of the policy, Poland did not have much of a choice and even if reluctantly, it eventually endorsed the ENP (Nervi 2011:121). In the end, just before the introduction of the Strategy Paper, the Polish ambassador could only utter his dissatisfaction (SI 212, 2004) while after the Communication was introduced (June 2004), as mentioned earlier, the Polish delegation pushed for the inclusion of a unilateral statement in the Council minutes emphasising that the ENP does not contradict the possibility of developing further the relations with the East.

Spain – As a South-oriented country, Spain shared much of its preferences with France and Italy. As such, it opposed the idea of further enlargement rounds and was concerned about the possibility that EU's focus will shift entirely to the East. Moreover, Spain wished to safeguard EU's commitment to the South while

advocating for an increase in multilateral cooperation between the EU and the Mediterranean. Spain also wanted to make sure that the principle of conditionality would be carefully handled as well as providing the partners with a sense of ownership. In comparison to other South-oriented EU members and following the inclusion of the Southern partners to the initiative, Spain was especially worried about the effect of the ENP on the Barcelona Process, which was the centrepiece of EU policies towards the South so far. Therefore, Spain wanted to ensure that the ENP would be consistent with existing initiatives (Lippert 2007; Natorski 2007; SI 212 2004; Interview H, MS).

We can conclude that the Commission's Strategy Paper, to a large extent, was in line with Spanish preferences: (a) the ENP was established as a policy which is distinct from the enlargement process; (b) the balance between East and South was kept as the Mediterranean countries were included; (c) the issue of partners' ownership was established as a core principle; (d) the language of strict conditionality was replaced with a softer version that focuses on positive conditionality and dialogue; and (e) the Commission clarified the relationship between the ENP and existing frameworks by stating that the ENP is not going to replace but rather to "reinforce existing forms of regional and sub-regional cooperation and provide a framework for their further development" (COM 373 final, 2004:4).

To sum up, comparing between the Commission's Strategy Paper and national preferences, it can be argued that the agent has done quite a remarkable job to satisfy its principals and Nervi describes the Communication as a "comprehensive compromise document" (2011:134). In fact, the member states have endorsed the ENP although they had various reasons why they chose to do so, in the words of Lippert (2007) - "While the southern member states are interested in the ENP because of the chance to enhance or to revive the Euro-Mediterranean Partnership and Mediterranean policy within a new framework, the main initiators and supporters

of the ENP are much more oriented toward Eastern Europe" (see also Nervi 2011). Along the same lines, one national diplomat argued that "there might be disagreements regarding many aspects of the ENP...and even when you have a low basis compromise, the member states are supporting the policy" (Interview F, MS). Thus, the Commission was able to find suitable focal points that were endorsed by all EU members even if it did not perfectly fit the whole range of national interests. Yet, it also important to bear in mind that even though the member states endorsed the policy, there was still no agreement about the way the ENP should operate, what it wants to accomplish or what is its *finalité*.

5.5 The German 'ENP Plus'

In July 2006, several months before the German Presidency, the German Foreign Affairs Minister, Franz Walter-Steinmeier, offered to create a new *Ostpolitik* or 'ENP Plus' towards ENP's Eastern partners, Russia and Central Asia. The German initiative underlined the following aspects: The need for differentiation between European (e.g. Ukraine) and non-European (e.g. Morocco) neighbours as to emphasise the greater potential for further integration with the East; the EU should offer more incentives to partners, for example, the institutionalisation of cooperation (integration in EU decision-making process); the unequal distribution of funds between East (30%) and South (70%) should be more balanced; the need for a balanced approach towards Russia, i.e. Russia matters but so are the Eastern neighbours; and the EU should increase its involvement in Asia where it is underrepresented in comparison to Russia and the U.S (Kempe 2007; Copsey 2007; Duleba 2007; Rynning & Jensen 2008; Nervi 2011).

As such, in comparison to the broad geographical scope of the ENP, the 'ENP Plus' attempts to shift the center of attention towards the East while trying "to implement a more attractive and more realistic policy" (Kempe 2007:2).

5.5.1 ENP Plus – member states/Commission response

The German initiative did not gain much support at the EU level and had two main sources of opposition. The first source of opposition came from other EU member states. Barysch argues that South-oriented members (especially Spain) were against the initiative since it threatened to shift EU's focus towards the East while neglecting the South and were more worried "about political instability in, and economic migrants from, Northern Africa" (2006:4). Along the same lines, Kratochvíl and Tulmets maintain that France (among other member states) "argued for the need of a balanced approach towards the East and the South" (2010:139, see also Smith & Webber 2008; Boudewign et al. 2008).

Furthermore, a senior EU Official added that the reason why other member states were against the initiative might be because the Germans did not do enough in keeping the balance between East and South and thus attracting the support of all member states (Interview D, EU). Second, the Commission was also not very supportive. The 'ENP Plus' was seen as "not very concrete" (Interview J, EU), "not very clear" (Interview E, EU) or even "just empty ideas" (Interview M, EU). Moreover, it seems that since the ENP was a young policy, it would have been counterproductive to change it in such an early stage (Interviews E, F, G, K, EU).

At the end of the day, the German proposal of creating a new policy towards Eastern Europe and Central Asia did not come through. Still, as we shall see later in this chapter, even though the policy was rejected, various ideas which were suggested by the Germans were later integrated into the Commission's Communications.

5.5.2 ENP Plus – PA perspective

The German proposal could be seen as an attempt by one of the principals, using its Presidency role, to influence the political agenda. The role of the EU Presidency has been discussed, although not extensively, in both institutional and PA literatures. The

main focus of scholars, who analyse the Presidency, is often on its influence on EU's agenda, whether it is affected by supranational practices or its role as a negotiator-agent of the member states (as principals) in international negotiations (Kerremans 1996; Tallberg 2003; Delreux 2008; Delreux & Kerremans 2010).

Essentially, I follow Tallberg's point of view that "member states holding the Presidency are conceived of as strategic actors, seeking to satisfy national preferences within the confines of their formally delegated role" (2003:5). Following this standpoint, the German 'ENP Plus' is seen as a German attempt, using its Presidency position, to shift the EU's focus towards the East. However, as my interests lie in the PA relationship between the member states and the Commission, I would like to retain this differentiation. In other words, I do not want to conceptualise Germany as an agent of the member states (like in the case of conducting negotiations) and thus understand the 'ENP Plus' as a possible scenario of agency shirking. Instead, I view Germany as a principal (among other principals in the Council) that tries pursuing its national objectives, which are not necessarily in line with the interests of both the agent (Commission) and the other principals (member states). Looking for possible explanations in PA scholarship, I argue that this situation could be viewed as a case of the 'principal problem' rather than agency problem. As mentioned in chapter two (see 2.3.5) the principal problem came into being when scholars decided to overcome the anti-agent bias which has dominated PA literature and started to look at other directions than agency opportunistic behaviour in order to explain policy outcomes.

In the case of the 'ENP Plus', the German initiative could be viewed as a weak case of 'principal subversion', i.e. individual principals taking action (Thompson 2007). Indeed, the 'ENP Plus' cannot be regarded as a German project which explicitly aims to work against the ENP or against the Commission, who is responsible for the ENP's implementation. Moreover, as we will see later in the chapter, some of the German ideas were incorporated into succeeding Commission's Communications.

Then again, the ‘ENP Plus’ is still an attempt by Germany, one of the most powerful actors in the EU (even without considering its favourable position to set the agenda as EU Presidency), to launch an initiative towards the East. This stands in contradiction to the interests of other principals (especially the South-oriented ones) and of the Commission, which had worked hard towards reaching a balance between East and South-oriented member states. Eventually, following the opposition of the other principals and the agent, the initiative was blocked while some of its main features were later integrated to the Commission’s mid-term report of December 2006.

5.6 The European Neighbourhood and Partnership Instrument

In October 2006, the Council (and the EP) adopted the regulation on the ENPI (Regulation 1638, 2006), the new financial instrument of the ENP. The financial regulation provided a list of objectives which are aimed to be achieved under the framework of the ENPI, among those are promoting economic integration, human rights, democratisation, regulatory approximation, poverty reduction, and border security (Art.2, Ibid). Van Vooren posits that the ENPI proves the comprehensive nature of the ENP since it “lists no less than 29 paragraphs with distinct set of objectives” (2009a:698).

During the intense discussions on the budget in the Council, the key issue for the debate was the balance of funds between the Eastern and Southern neighbourhoods. South-oriented members (especially France, but also Italy and Spain) were concerned that the Southern neighbourhood, being in an unfavourable position in comparison to the East (i.e. more countries, bigger population) would not be allocated enough funds. As such, a question was posed whether it is necessary to include in the regulation a specific clarification regarding how funds should be allocated between the regions. Eventually, following an informal agreement between the member states (1/3 to the East and 2/3 to the South) (Interview I, EU; Lefebvre 2006; Kratochvíl &

Tulmets 2010) and “reassurances provided by the Commission that past levels of assistance will be taken into account while determining allocations” (Canciani 2007:151) there was no reference to the topic in the financial regulation.

The budget of the ENPI, which became operational on January 1st 2007, was 11.181€ billion under the new financial term 2007-2013. From this budget, 95% is allocated to ENP countries and multi-countries programmes while 5% is devoted to cross-border programmes (Art.29, Regulation 1638, 2006).

As previously mentioned, the ENPI constitutes one single instrument for the whole neighbourhood and thus replaces the financial mechanisms which were used for the East (TACIS) and for the South (MEDA). What is more, the ENPI not only replace the previous financial instruments but following its objective to foster a higher level of cooperation between the EU and the partners, several instruments which were used under the framework of the pre-accession strategy are now being opened to ENPI countries. One instrument is Twinning – a capacity-building instrument which is based on member states' Officials who share their experience and expertise with partners in a variety of policy fields. The objective of Twinning is to “help transfer, adopt and/or adapt to EU legislation, standards and practices and to modernise partner countries' administrations through reorganisation, drafting of laws and regulations.”¹⁰⁴ Another example is Technical Assistance Information Exchange (TAIEX) – an instrument which seeks “to pave the way for bigger Twinning actions or even technical assistance interventions in the area of reforms and capacity–building.”¹⁰⁵ As such, it could help partners to cope with technical problems by

¹⁰⁴ http://www.enpi-info.eu/maineast.php?id=167&id_type=10

¹⁰⁵ http://www.enpi-info.eu/mainmed.php?id=166&id_type=10; http://www.enpi-info.eu/maineast.php?id=167&id_type=10

sending, for example, EU expert missions on a short notice to advise on a specific policy area.¹⁰⁶

Referring to programming issues, the overall policy framework for the ENPI programming of Community assistance is provided through the AA/PCA, Commission Communications and Council conclusions. In addition, the Action Plans are to provide the key point of reference for setting up the ENPI priorities (Art.3 Regulation 1638, 2006). The ENPI is implemented through various types of programming, namely individual country and multi-country programmes (regional for the South and Eastern neighbourhoods and trans-regional for both), thematic programmes and cross-border programmes. Also, priorities for Community assistance are identified in strategy papers which provide an overview of the long-term objectives (2007-2013) for individual countries as well as regional programmes. Multi-annual indicative programmes cover the mid-term goals (2007-2010) for the individual countries and the regional/inter-regional programmes while the action programs provide detailed focus on priorities on an annual basis.

Examining the ENPI from a PA perspective, we could draw several conclusions. First, already before the ENPI regulation was adopted, the Commission acted as a mediator or broker between the member states and affirmed, similar to previous occasions, that the different preferences of South vs. East-oriented members will not hinder the work on the ENP.

As for the ENPI, it would be useful to take note of the control mechanisms available to the principals. In the context of *ex-ante* control, the member states (together with the EP under the co-decision procedure) decide on the budget of the ENPI.

¹⁰⁶ More examples are Cross Border Cooperation (CBC) and Participation in Community programmes and agencies.

Moreover, the Commission does not have the power to suspend financial assistance to ENPI partners. Only the Council, “acting by a qualified majority...may take appropriate steps in respect of any Community assistance granted to the partner country under this Regulation” (Art.28).

The fact that the ENPI is based on instruments such Twinning and TAIEX could be considered *ad-locum* control mechanism as the member states have the possibility to be actively involved during the implementation process. Also, this kind of involvement, together with the fact that EU members are still able to design and implement their own assistance policies towards the neighbourhood without any legal obligation to inform the Commission about their actions, might balance the information asymmetries favouring the agent.

As for *ex-post* control mechanisms, the Commission activities are being monitored by the Comitology system, or to be more specific under the management committee procedures (Art. 26). Second, the Commission is obliged to submit annual reports to the Council and EP on the implementation of the Community assistance (Art. 25). Third, the Commission is also asked to submit an additional report by December 31st 2010 which reviews the first three years of implementation of the financial regulation (Art. 30).

Notwithstanding the aforesaid, the ENPI financial regulation still grants the Commission broad powers. In fact, Thomson and Torenvlied observe that “of the regulation’s 106 major provisions, twenty-two granted discretionary power to the Commission when implementing the ENPI“ while “only two of the regulation’s provisions granted discretion to member states“ (2010:141). Moreover, the Commission kept its position as the main player in the management of funding as it “drafts strategy papers, determining allocations for each programme, and action

programmes, can conclude framework agreements with partner countries and evaluates the results of the programmes" (Pelerin 2008:57-8). Finally, national diplomats reaffirm that the Commission enjoys extensive powers, even with the Comitology procedures, and does not really consult with the member states regarding allocation of funds (Interviews F, G, MS).

5.7 The Commission's first reports on the ENP

The ENP Strategy Paper foresaw that the Commission would draw up progress reports as well as a mid-term report two years after the adoption of the Action Plans (COM 373 final, 2004:10). As such, on December 4th 2006, the Commission issued a series of Communications which provide an overview on the progress made in the ENP.¹⁰⁷ In this part of the chapter, while I briefly examine the Commission's overall assessment (SEC 1504/2, 2006) and the sectoral progress report (SEC 1512/2, 2006); my main focus is on the Commission's mid-term report 'On Strengthening the European Neighbourhood Policy' (COM 726 final, 2006).

Essentially, the Commission took note of the progress made by six out of seven ENP countries with Action Plans (Ukraine, Moldova, Israel, Jordan, Tunisia and Morocco¹⁰⁸). For example, in the Eastern neighbourhood, Ukraine held free and democratic elections in March 2006 and "considerable progress has been made towards consolidating respect for human rights and the rule of law" (SEC 1504/2, 2006:4) while in the Southern neighbourhood, Jordan aligned its national agenda programme with its AP and "has shown a real commitment to working towards a number of political and economic reforms" (Ibid:5). As for sectoral progress, the

¹⁰⁷ The Communications produced by the Commission are as follows: COM 726 final, 2006; SEC 1504/2, 2006; SEC 1512/2, 2006; COM 724 final, 2006; and MEMO/06/460, 2006.

¹⁰⁸ The cooperation with the Palestinian Authority has been suspended following the formation of a Hamas-led government and its rejection of the Quartet principles.

Commission stated that good progress was achieved in the area of trade, customs and transport cooperation (SEC 1512/2, 2006).

However, it was also acknowledged that “the ENP is a young policy” and “much remains to be done” (SEC 1504/2, 2006:6). In fact, the Commission stated that the most challenging field to measure and implement is the governance field (Ibid:2). In addition, the Commission mentioned the lack of progress in the regulatory and environmental fields (SEC 1512/2, 2006). Finally, the main conclusion from the report is that although some progress was made, “the EU must now take steps to further strengthen the ENP” (SEC 1504/2, 2006:6).

Therefore, the focal point of ‘On Strengthening the European Neighbourhood Policy’ mid-term report (COM 726 final, 2006), which is examined in the next part of the chapter, is the Commission’s recommendations on how the ENP could pursue its objectives in a more efficient way.

5.7.1 ‘On Strengthening the European Neighbourhood Policy’ mid-term report

In the beginning of the report, the Commission acknowledged the ENP’s strengths and weaknesses. As for strengths, the Commission stated four key points, namely integration (i.e. single framework for cooperation with neighbours), joint-ownership (i.e. Action Plans are mutually agreed), concreteness (i.e. Action Plans are broad in scope but also very detailed) and better use of funds (i.e. one single instrument for the neighbourhood and increase of resources). Referring to weaknesses, the Commission acknowledged three key issues, namely trade and economic integration (i.e. need for clear economic perspective and improved access in all economic areas), mobility and migration (no significant progress in improving the movement of people to the EU), and regional conflicts (lack of EU active presence).

Against this background, the Commission identified seven areas of cooperation where the ENP could be strengthened. First, the EU could enhance the economic and trade cooperation with partners by offering both Eastern and Southern partners the opportunity to conclude Deep and Comprehensive Free Trade Agreements (DCFTAs). Second, the Communication stated that EU's visa policies and procedures are still imposing great difficulties for citizens coming from ENP countries. Thus, there is a need for re-examination of existing procedures with the objective of removing unnecessary obstacles to legitimate travelers (e.g. students, businessmen and tourists). Third, the Commission emphasised that the "citizens of the EU and of the neighbouring countries should have more opportunities to interact" (Ibid:6) and there is a need for further promotion of people-to people exchange.

Fourth, there are various areas (e.g. energy and transport) where the EU could increase its cooperation with partners on a multilateral level. Thus, there is a need to build a thematic dimension to the ENP and "multilateral agreements between the EU and ENP partners in a small number of key sectors should be urgently considered" (Ibid:8).

The fifth area where the ENP should be strengthened is the area of political cooperation. The Commission argued that the EU should be more active in engaging with regional conflicts. In addition, it recommended that Southern partners should be offered the possibility to align with CFSP declarations; ENP partners should be invited to meetings organised by the EU in the international arena (e.g. Council of Europe); and the Community diplomatic presence (EU delegations) in ENP countries should be increased.

Sixth, according to the Communication, the ENP "offers great potential for dialogue and cooperation at regional level" (Ibid:10). In this respect, the Commission called

for enhancement of regional cooperation with the Eastern neighbourhood as well as with the Southern neighbourhood. Furthermore, the Commission stated that the EU should intensify its relations with the neighbours of the neighbours, i.e. with Central Asia and the Gulf region.

The seventh and final area to be strengthened is financial cooperation. Here, the Commission admitted that despite the ENP's ambitious objectives and the 32% increase (in comparison to the 2000-6 allocation) in the budget planned for the ENPI, the ENP funding as well as private investment flows are rather small. Therefore, it is "essential to maximise the impact and leverage of EU funding" (Ibid:12). In so doing, the Commission introduced two financial mechanisms – the Governance Facility and the European Investment Fund. The Governance Facility, with a budget of 300€ million, allocates an additional financial support for ENP partners who are the front-runners in implementing the ENP Action Plans. Alternatively, the Neighbourhood Investment Fund, with a budget of 700€ million, is to support international funding institutions lending in ENP countries (as well as possible grants from member states). Also, the Commission recommended strengthening the coordination among EU actors. In other words, the member states "should increasingly align their own cooperation programmes on the agreed priorities and reform agendas established in the ENP Action Plans" (Ibid:13).

Finally, the Commission stressed that the EU has to offer more attractive incentives to the ENP countries in order for them to be able to pursue the ENP's objectives.

5.7.2 The Commission's mid-term report – PA perspective

Taking stock of the Commission's Communication, how can it be explained using PA? The first explanation is rather straightforward. In the Strategy Paper, which was approved by the principals (GAERC/European Council), the agent stated that it

would be responsible for producing a mid-term report on the ENP (COM 373 final, 2004:10). Hence, it could be argued that the agent was just fulfilling its duties in submitting a Communication for the consideration of its principals.

A closer examination of the proposals offered by the Commission reveals that various aspects were actually in line with the German 'ENP Plus'. For example, similar to the German standpoint that in order to generate true commitment for reforms there is a need for better incentives, the Commission stated that "the EU must present an attractive offer to ENP partner countries" (COM 726 final, 2006:2). Another example is the German focus on Eastern Europe and Central Asia. Also in this case, the Commission integrated some of the German ideas by launching the Black Sea Synergy (BSS) as a multilateral regional framework for the East (COM 160 final, 2007) and offering to strengthen EU's cooperation with "the neighbours of our neighbours", i.e. Central Asia (COM 726 final, 2006:10-1).

Then again, it is also evident that the Commission was trying not to bring up any topics which challenged the political agreement reached after more than two years of discussions. First, the Commission reaffirmed that the ENP "remains distinct from the process of EU enlargement" (Ibid:2) and no new institutional links are to be established with neighbours. Second, in order to secure the East-South balance, not only did the Commission block the German *Ostpolitik* endeavour but also in its mid-term report the Commission's proposal was oriented towards keeping the balance between the Southern and Eastern partners. For instance, the Commission offered that the possibility to align with CFSP declarations (already offered to the Eastern neighbours) will be opened to the Southern neighbours as well. Likewise, referring to economic cooperation and trade, the Commission asserted that "it is important to offer all ENP partners, both in the East and the South, a clear perspective of deep trade and economic integration with the EU" (Ibid:3). Against this background, Kampe (2007:4) provides an excellent summary by saying that

“on the one hand, this immediate reaction by the European Commission to the German government’s initiative makes clear that Germany is taken seriously as a player in European *Ostpolitik*. At the same time, however, the paper aimed to keep any initiatives during Germany’s presidency within a calculated framework, and to avoid sensitive points, like shifting the priority of the Neighborhood Policy toward Eastern Europe.”

Translating this behaviour to PA terms, the Commission acted as a mediator (Kerremans 1996; Thatcher 2001; Tallberg 2002) between Germany and other member states in the Council. Moreover, it managed to block a situation of principal subversion by (a) accommodating some of the German suggestions, (b) securing the focal points (especially the East-South balance) which were reached in the Strategy Paper, and (c) trying to avoid any other alternative proposals which might attract opposition or might be too costly for the member states to approve.

Still, there is an additional aspect which is revealed in the analysis of the Commission’s mid-term report; throughout the document we find evidence of agent criticism of its principals. First, in the area of people-to-people cooperation, the Commission argued that “the human dimension of the ENP is as much a matter for the Member States as for the Community” (COM 726 final, 2006:7). Second, concerning funding, the Commission stated that “funding available to support the ENP reform agenda will still be relatively modest, notwithstanding the ENP’s ambition to address a very comprehensive reform agenda” (Ibid:12). This statement could be considered as an implicit criticism of the fact that the member states did not approve adequate funding for the policy. Still in the context of the financial allocations and the new financial instrument (i.e. the European Investment Fund), the Commission suggested that “concrete support from Member States, adding their own grant funding to the EC contribution to the Trust Fund, will be highly desirable in reflecting the Union’s political backing for an enhanced ENP” (Ibid:13). Third, in the conclusion of the Communication, the Commission maintained that the progress reports showed that the ENP partners “have already confirmed their own commitment, through the adoption and initial implementation of the ambitious ENP

Action Plans” (Ibid:14); thus suggesting that it is time that the member states follow suit. Finally, the Commission argued that in order to achieve the policy’s objectives “member States will need to play their part – the enhancements proposed here will require both full political commitment and a commensurate economic and financial commitment” (Ibid:14).

In light of the above, a senior EU Official admitted: “naturally the Commission criticises the member states. There is a feeling in the Commission that the member states were not implementing what they agreed upon, especially regarding opening their markets and mobility” (Interview B, EU). A similar observation was made by other EU Officials who argued that “the Commission’s belief is that in order not to have dividing lines the EU needs to open up, but some member states try to protect their interests” (Interview C, EU); “we want to set the limits and check how much cooperation we can get. Some member states are not very happy with it” (Interview G, EU); and “the member states ask the Commission for ideas, to be more active and creative...but are not willing to give. The Commission is in constant frustration from this situation” (Interview L, EU). In fact, some national diplomats also stated that “there are some countries which try to protect their national interests, especially regarding visa, mobility and trade. Naturally, the Commission is criticising these tendencies” (Interview B, MS, see also Interview F, MS).

Essentially, in its mid-term report, the Commission acknowledged that the EU demands from partners that they implement a significant number of reforms but offers very general and vague concepts (e.g. closer integration, a stake in the internal market) in return. Thus, the Commission tried ‘to put meat on the bone’ and fill in the incomplete aspects with concrete actions. What is more, the key point of the Commission’s criticism is the lack of political and financial commitment of the member states, in the words of an EU Official: “member states are like half Scottish

half Irish guy, they want to drink but they don't want to pay...so they want change but aren't willing to pay for it" (Interview J, EU).

Monitoring and enforcing compliance and filling in of incomplete contracts are mentioned as key reasons for delegation which aims to enhance the credible commitment of the principals to a given policy. PA scholars argue that following the act of delegation which designated to enhance the credible commitment of the principals, the agent enjoys a considerable amount of authority in order for it to be able to monitor its principals and to enforce the contract over time, and in the words of Thatcher and Sweet: "where delegation takes place in order to secure credible commitment, principals cannot impose many ex post controls over the agent without undermining the very purpose of delegation" (2002:14, see also Doleys 2000; Pollack 2003; Majone 2001).

In the case of the ENP, we are facing a completely different picture. Indeed, the Commission is by no means a powerless agent as it is the key actor in the implementation stage and is responsible for monitoring progress. Also, the member states might provide their input to the Commission's reports but this rarely occurs and it could be argued that EU members play a minor role in this respect (Interview A, EU; Interviews E, C, G, MS). But at the same time, in various policy fields, the Commission cannot act without the member states' support. More importantly, as the Action Plans are non-binding agreements, the Commission does not possess the legal competences to force reluctant members to comply.

As a result of its unfavourable position, the Commission decided to use the mid-term report in order to put political pressure on the member states (Interview A, EU; Interview F, G, MS). In other words, since the Commission's Communications are made public and could be seen not only by all member states but also by the ENP

partners (and other actors), the Commission was hoping that the member states would feel more obliged to support the ENP as it is suggested that all players involved in the ENP are committed to its success, except of the EU member states. Krause (2003) identifies a similar situation where the Commission used its Communications to persuade the Council to be more active in its policy towards sub-Saharan Africa. Moreover, Krause explains that "[e]ven though such statements are not formally binding, they put pressure on the Council to adapt its position to them, and therefore they bring about discussions that lead further in the CFSP context" (2003:227).

Furthermore, the Commission used two different kinds of arguments in order to encourage EU members to commit to the ENP. First, it underlined the fact that as much as the partners would profit from the ENP, EU members and the Union as a whole would reap the benefits if they invest their political and financial capital. This type of action is described by Tallberg as 'packaging' – a situation where "the Commission manipulates the cost/benefit calculations of national governments by linking unpopular measures to popular ones, or by presenting a number of proposals that appeal to different Member States" (2000:849).

Thus, while identifying the main problems that the neighbours are facing, the Commission stressed that "these are not only our neighbours' problems. They risk producing major spillovers for the EU, such as illegal immigration, unreliable energy supplies, environmental degradation and terrorism" (COM 726 final, 2006:2). A similar argument was also used in the context of regional conflicts where the Commission stated that "conflicts can threaten the Union's own security" (Ibid:9). Finally, the Commission affirmed its position by arguing that "some of these actions will have a certain cost, but this cost is not prohibitive - and is certainly much less than the cost of inaction" (Ibid:14).

The second line of argumentation being used by the Commission was trying to defend its proposals by referring to the member states' common history and beliefs. This kind of action is captured by Tallberg as 'co-optive justification', i.e. a situation where "the Commission, by appealing to principles and beliefs heralded by Member States, justifies decisions or policy proposals in ways that render them more difficult for governments to reject" (2000:849). Thus, in the context of facilitating mobility, the Commission recalled that "even from the earliest days of the European Community, the ability of the citizens of our Member States to travel within the Community...has been vital in promoting internal trade and investment, in building mutual awareness and encouraging economic, social and cultural contacts" (COM 726 final, 2006:5). Another example relates to the promotion of people-to-people exchanges where the Commission argued that "educational and youth exchanges must be a core element of the ENP, just as such exchanges have helped to build bridges and overcome prejudices within the EU" (Ibid:7).

Looking at the Commission's behaviour, could we view it as yet another case of agency shirking or as agency strategy to influence with the aim of expanding its own competences? After all, it seems the Commission is simply trying to ensure the effective implementation of the policy which was previously endorsed by the member states. Similar to the 'ENP Plus', also in the case of the Commission's mid-term report, Thompson (2007) could be of help. Initially, I view the Commission's actions as an attempt to cope with Thompson's first type of the 'principal problem', namely 'principal shirking', i.e. when principals "fail to provide adequate resources for the agent to effectively carry out its duties" (2007:9).

The fact is that while the Commission enjoys quite a high level of discretion in regards to the managing of the ENP financial instruments, its discretion does not always translate immediately to power or to the capacity to implement the policy in an efficient way. In other words, notwithstanding the increase of funding to the ENP

in the budgetary period of 2007-13, it is questionable whether the 11.1€ billion allocated could be considered as adequate resources.

First, in its original proposal, the Commission asked for ENPI budget of almost 15€ billion (COM 628 final, 2004:30). The Commission justified the budget by stating that the resources available should be matched to the policy's objectives and "to saddle the Union with a set of goals and then deny it the resources required would be to condemn it to the justified criticism of citizens denied their legitimate expectations" (Ibid:26). Yet, the granted allocation represents more than 20% decrease from the Commission's request. Second, the ENPI uses rather costly pre-accession instruments as the ENP, much like accession, promotes far-reaching reforms as well as bringing the neighbours closer to the EU. In comparison, the funds available for the pre-accession instruments (11.565€ billion) are almost the same as the ENPI budget. Still, one should bear in mind that in comparison to pre-accession policy, the ENPI (a) covers more countries (17) with bigger population (over 400 million in total), and (b) the situation in the ENPI countries is much worse than the situation in the candidate countries and thus more reforms are needed. Finally, Chilosi argues that "the difference becomes really impressive if one considers the shares of the budget earmarked for cohesion (308,041) and for CAP (now prudishly renamed 'Preservation and Management of Natural Resources':371,344) that really dwarf the ENPI" (2006:5).

Consequently, there was clearly dissatisfaction in the Commission concerning the scarce resources available (Interview B, EU; Tulmets 2006). In fact, even several national diplomats admitted that "finance is far from being enough" (Interviews F, J, MS). By the same token, ENP scholars criticise the ENP for its lack of resources. Tulmets argues that "if the aim of the ENP is, as in the pre-accession strategy, to support the harmonisation of all possible sectors with EU laws, then the offer is far from generous" (2006:46). Another example is Missiroli who claims that the ENP,

despite the increase of funds, “is seriously under-funded” (2007:6) while Kochenov posits that “the actual moneys available for the implementation of the ENP still fall short of the policy’s needs” (2009:23). In respect to staffing, Grant points out that the member states are not necessary willing to invest in ENPI programmes which are based on member states' Officials, in the words of Moldova’s Deputy Foreign Minister: “If all 25 member-states were committed to twinning we’d implement the action plan in no time” (2006:56).

Finally, in his work, Thompson (2007) mainly refers to principal shirking and lack of resources in the context of budget and staffing, but I would add, in line with Sokolowski (2001), that principals could undermine the work of the agent not only by failing to provide financial backing, but also by not giving sufficient political support. As we have seen in the ENP case, not only does the problem relate to the funds available to the agent, but also to the principals’ commitment to cooperate. According to the Commission, the ENP is facing difficulties due to the member states’ reluctance to commit to the objective of bringing partners closer to the EU. This is especially evident in their unwillingness to open their borders and markets to the ENP partners. By the same token, Palmer maintains that "EU Member States continue to drag their feet on some of the desirable improvements to the functioning of the ENP proposed by the Commission" (2008:18) while Kochenov mentions the EU's "inability to deliver on the promises given to the partners due to specific sensitivities of the Member States" (2008:12).

To sum up, in its Communication, the Commission tried not only to respond to a case of principal subversion (individual principals taking action) but also to a situation of principal shirking (principals failing to provide adequate resources). The Commission criticised the member states with the aim of putting political pressure on them to invest political and financial capital into the ENP. At the same time, the Commission was trying to persuade the member states to cooperate by using cost-

benefit arguments as well as more normative explanations, referring to their core values and beliefs. In the end, the mid-term report was the first comprehensive review by the agent on the ENP. Thus, it remains to be seen how EU members react to the criticism and whether they embrace the message that they need to play an integral part for the ENP to succeed.

5.8 Analysing PA dynamics – ENP finalisation stage

Shortly after the publication of 'On Strengthening the European Neighbourhood Policy' Communication, on December 11th 2006, the Council welcomed the Commission's mid-term report and noted the progress made in the first seven Action Plans. Moreover, the Council emphasised that the ENP is one of the key priorities of the EU's external relations. Finally, the Council invited the incoming (German) Presidency to draw up a report to be presented in the Council in June 2007 (GAERC 2006b:20). In the same vein, on December 15th 2006, the European Council restated its commitment to strengthen the ENP and endorsed the GAERC conclusions on the Commission's report. Furthermore, it welcomed the adoption of the Action Plans for the Southern Caucasus partners (Armenia, Azerbaijan and Georgia) as well as the progress made concerning the Action Plans for Lebanon and Egypt. Lastly, it invited the Commission as well as the next Presidencies to continue the work of strengthening the ENP (Brussels European Council 2006b:18).

Examining the ENP finalisation stage, we see that at the beginning of this stage, the agent's Strategy Paper was endorsed by the principals without any substantial objections. Moreover, the principals became more involved in the negotiations with the partners while the agent provided more information, and made the necessary adjustments from its Wider Europe Communication to the Strategy Paper. Focusing on the time-period between the introduction of the Commission's ENP Strategy Paper in May 2004 and the European Council of June 2006, it seems that the

relationship between the principals and the agent went back on track after the conflict between them in early 2004.

Earlier in the chapter, analysing the Strategy Paper from PA perspective, we saw that the Commission described the ENP formulation and the consultations with the partners as a process which involved close cooperation and exchange of views between all EU actors (Commission, HR and the Council). What is more, in subsequent Communications, there is also evidence of the same kind of terminology. For instance, in its Communication from December 2004 which focuses on the first group of Action Plans, the Commission recalled the process which led to the conclusion of the Action Plans in the following way: "The Commission has held exploratory talks with all these partners in the course of 2004 in close coordination with the Member States. Successive Presidencies, the Council Secretariat and representatives of SG/HR Solana have participated in all consultations with partners" (COM 795 final, 2004:3). Another example is the Commission's Communication concerning the second group of Action Plans. In this document, the Commission stated that "the Commission will, in close cooperation with the Presidency and High Representative where appropriate, make contact with the partner countries concerned" (COM 72 final, 2005:7). In addition, the Commission declared that "member States will be kept fully informed of the development of these consultations" (Ibid: Ibid).

By the same token, it is also evident that the Council has learnt from previous engagements with the Commission and in order to prevent similar quarrels over competences, it was much clearer in its instructions. For instance, following the end of preparations for the first group of Action Plans and the beginning of work on the second group, the Council announced that "the Commission is invited as of now to initiate joint discussions to prepare an action plan for each of the three South Caucasus countries" (GAERC 2005c:11). Furthermore, the Council concluded that it

"notes that Member States will be kept fully informed of the progress of those consultations" (Ibid:12). However, the time-period between July 2006 and December 2006 presented new challenges to the agent.

Going back to the three research hypotheses, what can we conclude from the analysis of the ENP finalisation stage?

5.8.1 H I: Information asymmetries and uncertainty

In comparison to the Commission's influence during the formulation stage, in the finalisation stage we see that the information asymmetries favouring the Commission have balanced to some extent as the Commission could not act as freely and the member states paid more attention to what the Commission was doing. For instance, the Commission was not the sole negotiator in the talks between the EU and the partners and the Council was much more direct in its mandate. The Commission also acknowledged the member states' dissatisfaction from not being informed and tried to ensure that they were kept in the loop while avoiding a situation where the member states and the Commission clashed over competences. Moreover, the Commission's reporting duties (i.e. submitting country reports, progress reports and mid-term review) decreased the Commission's advantage with respect to information asymmetries.

Yet, it is important to bear in mind that several things were left unchanged since the formulation stage. In other words, the Commission still enjoys a favourable position in the ENP since it is not only the key actor in the various procedural stages (information gathering, writing proposals, allocating funds), but also the actor with the most advanced expertise (again, mainly due to its enlargement experience) in monitoring the execution of the Action Plans. The accession experience is especially

evident in the way the Commission offered to design the ENP (e.g. the Action Plans, the progress reports and the technical instruments).

Finally, although the Commission did its best to engage with many of the issues which were brought up by the member states before the introduction of the Strategy Paper, there was still uncertainty among EU members as some questions were left unanswered: What is the ENP's *finalité*? Which kind of effect it will have on existing frameworks? Will the incentives offered and the conditionality level chosen be able to produce the necessary change? Still, the Commission managed to produce a comprehensive proposal which is broad enough and vague enough for all member states to accept. Thus, its leading role in the policy was left secured while every member state could interpret the Strategy Paper in its own way.

5.8.2 H II: Transaction-costs of negotiating and waiting

In the ENP finalisation period, we could see that the member states endorsed the Commission's proposal to use the Action Plans as the main instrument of the ENP as well as the procedural stages which lead to its adoption and implementation. As mentioned in chapter four (see 4.6.2), being politically non-binding agreements, the Action Plans could be considered an easy and cost-effective solution in comparison to the negotiation and ratification process of new generation cross-pillar mixed agreements. A related advantage of not pursuing the conclusion of new agreements is that there is no need for any new institutions to govern the relationship between the EU and its neighbourhood. Another advantage of the non-binding characteristic is that the member states could agree on very high standards for cooperation but eventually could decide in which policy areas they were willing to proceed. Along the same lines, as political documents which often use vague language, the Action Plans do not pose a threat to the member states as being part of the EC legal order with (direct/indirect) legal effect. One final advantage is that the Action Plans could

be easily replaced if necessary or complemented by other kind of agreements (e.g. memoranda of understanding) (Van Vooren 2009b:22-3).

Another important point is that the Commission also understood the limits of its offer and made the necessary amendments in the Strategy Paper. In this respect, it could be argued that there is a chance that the Commission did not entirely know what the member states wanted to achieve in the ENP, but it was rather clear what they would not accept. Consequently, the Commission was cautious when discussing the possibility of new contractual links with the partners, avoided any explicit connection between the ENP and enlargement as well as fought to keep the East-South balance within the EU. Thus, even if the ENP's scope was reduced following member states' reluctance to consent the high level of integration offered by the Wider Europe paper, the Commission's construction of focal points is (again) of importance since it avoids engaging with alternative forms of policy solutions which might not be acceptable to the member states. This could be seen in the Commission's Strategy Paper as well as in its mid-term report of December 2006 where the Commission was able to avoid an attempt at principal subversion.

Finally, time did not play a significant role in the finalisation stage in comparison to the formulation stage where the member states faced some time-pressure to launch the policy as well as being more involved with the Action Plans negotiations. Since the policy was introduced and the procedural stages (e.g. finalisation of discussions with partners) were already underway, there were no critical issues which put time-pressure on the member states. For example, referring to the financial regulation, the member states did not face serious time constraints as the first discussion on the budget started following the Wider Europe Communication in March 2003 while the financial regulation was finally adopted in October 2006.

5.8.3 H III: Stages of the policy process

The influence of the Commission on the ENP decreased during this time-period. From being the key actor in the formulation stage with almost no oversight or substantial input from its principals, in the finalisation stage the Commission had to adapt to a new reality.

Indeed, there is no evidence to suggest that the member states provided any significant input to add to the Strategy Paper. Nonetheless, the Commission had to revise its proposal while taking into account national preferences as it needed member states' endorsement of the Strategy Paper as well as of the final drafts of the Action Plans. Also, the Commission had to grow accustomed to the new situation where it was being closely monitored during the negotiation process. As such, the Strategy Paper and the Commission's subsequent Communications provide good examples to illustrate how the Commission was trying not to overstep its competences and act as an obedient and loyal agent.

However, during the later stages of the ENP finalisation period, the Commission started to lose its grip on the development of the ENP while the member states started to have a growing influence on the policy, but not necessarily a good one. First, the Commission had to deal with a case of principal subversion as the German 'ENP Plus' risked shifting the delicate East-South balance reached under the framework of the ENP towards the East. The Commission successfully managed to cope with this situation by blocking (together with other EU members) the launch of the initiative as well as incorporating many elements from the German proposal into its mid-term report and was not too shy to express its disapproval from the low commitment the member states showed to the success of the ENP. Second and more importantly, the Commission was less successful in securing the adequate financial resources needed for the successful implementation of the ENP and in ensuring the member states' commitment to the policy. Lacking formal competences to force the

compliance of the member states, the Commission tried to use its first comprehensive report in order to put political pressure on them. In its Communication, the Commission also used two different strategies (packaging and co-optive justification) in its attempt to persuade the member states to invest more financial and political capital into the ENP.

Against this background, I conclude that the tendency toward increased of control by the member states, which started following the publication of the Wider Europe Paper but became more explicit in early 2004 following the conflict over competences, continued during the time-period of the finalisation stage, although in a more institutionalised form. Interestingly enough, the increasing influence of EU member states in the latter phases of the finalisation stages did not come directly from agency shirking as suggested by the PA literature and consequently I chose to view the member states' behaviour as a case of the 'principal problem'.

5.9 Summary

To sum up, following almost two years of designing the policy, the Commission finally introduced its Communication on the new initiative – the ENP Strategy Paper. The Communication discussed many elements which were already mentioned in previous Communications while integrating some necessary amendments. Thus, the Strategy Paper was endorsed by the member states and throughout most of the finalisation period there is no evidence to support further agency shirking or any conflict between EU members and the Commission.

Testing the three hypotheses against the empirical data, it is apparent that the Commission's role as the leading actor in the ENP did not change. The Commission, as an agent, still enjoyed a favourable position concerning informational asymmetries since it was in charge of writing the country reports, progress report, gathering

information and monitoring progress. Moreover, as argued previously, it was in much better position to deal with the all procedural aspects related to the Action Plans as this technical process closely resembles the role the Commission has played during the accession process.

Still, in comparison to the early stages of the ENP formulation, in the finalisation stage the member states have been much more active in monitoring what the Commission does during the negotiations as well as in expressing their views, explicitly or implicitly, regarding the main aspects of the ENP and the way the Commission should operate (i.e. limiting agency discretion). Moreover, the Commission, needing member states' endorsement, paid much more attention to keeping them involved in the process and integrating their preferences by finding the right focal points and avoiding sensitive topics which might attract any serious opposition.

Thus, it could be concluded that the empirical evidence does support the PA assumptions concerning the three research hypotheses. A conflict of preferences between the principals and the agent resulted in more control and oversight from the principals. Also, the Commission adapted to the new situation by rationally anticipating how far it could go in its interaction with third countries as well as the level of integration it could offer to them. Finally, the growing influence of the member states supports the third hypothesis regarding the decreasing influence of the Commission in later stages of the policy process. However, a situation where principals (as collective or individuals) work against the agent or against previously agreed objectives is rather an under-researched territory in PA literature and led me to incorporate the principals and the 'principal problem' into my analysis of agency behaviour.

The publication of the Commission's mid-term report and the following endorsement of the GAERC and the European Council European Brussels Council in December 2006 mark the end of the ENP finalisation stage. The implementation stage of the ENP, which began in January 2007 with the entry into force of the ENPI, is the focus of the next empirical chapter.

Chapter 6: The way forward - implementing the ENP

"Any policy, no matter how well-designed and novel the instruments and no matter how much money or other incentives are available, is only as good as its implementation" (Wissels 2006:13)

This chapter is the final empirical chapter in the thesis. The preceding chapter was devoted to the finalisation stage of the ENP. During this time-period (May 2004-December 2006), we were able to see a shift in the interaction between the principals and the agent, from a point where the principals reacted to an opportunistic agent by regaining control over the agent (and the policy) to a situation where the agent had to adjust to potentially problematic principals.

The focus of the chapter is the ENP implementation stage. The time-frame of the analysis is from January 2007 until the end of 2009. Indeed, to some extent, the ENP had already begun to be implemented in 2005, when the first seven Action Plans were launched. Moreover, even currently, the ENP is 'a work in progress' and has kept evolving. However, as mentioned in chapter three (see 3.2), it was decided to use January 1st 2007 as a starting point because from this point of time the ENP became fully operational while the decision to limit the analysis to 2009 was due to institutional changes within the EU.

The chapter begins by reviewing the time-period and responses to the first comprehensive report on the ENP. The second part is devoted to the analysis of the Commission's second review on the ENP and member states' endorsement of the suggestions offered by the Commission to strengthen the policy. Thereafter, the third part discusses the Commission's progress reports on the implementation of the ENP in 2007. The fourth and fifth parts inspect the creation and development of two new regional policies, namely the Union for the Mediterranean and the Eastern

Partnership. Subsequently, the sixth part examines the role of the Commission in the implementation stage while testing the three research hypotheses against the empirical data. Finally, a brief summary is provided in the final part of the chapter.

6.1 The ENP implementation stage following the Commission's mid-term report

On January 1st 2007, the ENP became fully operational as the new financial instrument came into force, thus replacing the existing financial mechanisms for both the Eastern (TACIS) and Southern (MEDA) neighbourhoods. Yet, the focal point of debate at the GAERC meeting on January 22nd was the Commission's Communication of December 2006 rather than the ENPI. The Council reviewed the various ideas which were proposed by the Commission (e.g. enhanced economic relations, facilitating mobility, and strengthening political cooperation) and stated that "the Commission's communication will be examined in detail within the Council's preparatory bodies" (GAERC 2007a:7).

Subsequently, on March 5th, the GAERC adopted its conclusions on the Commission's mid-term report. Principally, the Council supported the Commission's position on the participation of ENP partners in Community agencies and programmes. It encouraged the Commission, the Community agencies and ENP partners to conduct consultations concerning the potential of this cooperation while stressing the fact that the Council needs to approve individual agreements establishing the participation of partners in Community agencies. As for partners' participation in Community programmes, the Council invited the Commission to submit negotiating directives which would be the basis for the relevant protocols to the PCA/AA (GAERC 2007b:9). However, it is noteworthy that the Council did not endorse any other suggestions that were offered by the Commission.

In the same month, the ENP was still on the agenda as the EU Foreign Ministers convened in Bremen for the Gymnich meeting. The member states agreed that the ENP should be strengthened while at the same time it “must remain geographically coherent; the relations to be maintained and intensified with our neighbours to the south are just as important as those with our neighbours to the east”.¹⁰⁹

Based on the mandate provided by the GAERC in December 2006, the German Presidency issued its Presidency Report on the ENP on June 15th 2007. The report stated that “given the magnitude of the challenges ahead, we must channel Europe’s great modernizing power even more efficiently” (Document 10874, 2007:2). In addition, the report reaffirmed that (a) there is a need for an enhanced political and practical commitment from the EU’s side to the ENP, (b) the geographical balance between South and East should be maintained, and (c) the ENP should remain distinct from the enlargement process.

Referring to the ways the ENP could be strengthened, the report recommended that the ENP should be offering more attractive incentives to partners. First, the report mentioned improved market access to the EU’s internal market as “a key incentive and must...stand at the heart of the intensified ENP” (Ibid:7). Second, the EU should use its financial strength in an efficient way. Third, the ENP, besides its EU-partners bilateral focus, should pay more attention to the promotion of multilateral actions regarding cross-cutting sectoral issues. Fourth, the ENP should be active in matters relating to conflict resolution by strengthening the political cooperation with and between partners. Fifth, there is a need to increase the involvement of EU and partners’ citizens in the process. Thus, the civil society component should be reinforced. Finally, the report concluded that the EU must translate its “shared

¹⁰⁹ http://www.eu2007.de/en/News/Press_Releases/March/0329AAGymnichInhalte.html

political commitment into more attractive and palpable incentives” (Ibid:10). In so doing, the Commission and the incoming Presidencies are expected to continue to work further on developing the ENP. In this context, the report suggested that “the coherence between Member States’ and EC action in our neighbourhood should be improved, through better coordination and information-sharing in headquarters and on the ground” (Ibid: Ibid).

On June 18th 2007, the Commission’s mid-term report and the German Presidency report were debated in the GAERC meeting. Essentially, the Council took notice of recent developments, for example, the opening of negotiations on the new Enhanced agreement with Ukraine, the Commission’s new financial instruments (Government Facility and the European Investment Fund), the new focus on the Black Sea region (following the Black Sea Synergy Communication) and the beginning of the implementation of Lebanon and Egypt’s Action Plans (GAERC 2007c:9-10). Shortly after the GAERC meeting, the European Council endorsed the Council’s conclusions on the Commission and Presidency’s Communications while reaffirming “the paramount importance of the ENP” (Brussels European Council 2007a:12).

Following the mandate given by the European Council of December 2006, the Commission continued to work on the development of the ENP and issued four non-papers in June 2007. The first non-paper ‘ENP-a path towards further economic integration’ aimed to develop ideas of how the economic and trade cooperation between the EU and the ENP partners could be reinforced. The long-term goal presented in this paper was to establish a Neighbourhood Economic Community (NEC) based on a network of DFTAs (European Commission non-paper 2007).

The second non-paper ‘ENP-thematic dimension’ focused on identifying how the ENP can develop its multilateral aspects in various sectoral issues. According to the

non-paper, there is a need to balance between the ENP's strong bilateral orientation and its weak multilateral focus. Thus, the Commission suggested intensifying cooperation in various policy fields such as human rights, the rule of law, security, economic integration, energy and public health. Yet, the Commission argued that rather than establishing new institutions, enhanced multilateral cooperation across the neighbourhood in most policy areas could be based on existing frameworks (European Commission non-paper 2007b).

Third, the Commission's non paper 'strengthening the civil society dimension of the ENP' maintained that "involvement of civil society, organisations and individuals – a civil society dimension - is vital for the overall success of the ENP" (European Commission non-paper 2007c:1). Therefore, the Commission identified various ways how civil society could be promoted under the framework of the ENP. For instance, the cooperation with civil society could to be strengthened by fostering dialogue between civil society actors and the governments within ENP countries.

The Fourth Commission non- paper 'visa facilitation' mainly focused on easing the procedures for short-term visas as "the EU cannot fully deliver on many aspects of the European Neighbourhood Policy if the ability to undertake legitimate short-term travel remains constrained" (European Commission non-paper 2007d:1). In the non-paper, the Commission highlighted some of the problems which hinder the implementation of a common visa policy; among those are lack of transparency and information on visa procedures, high visa costs, and especially the difficulty of ENP-related personnel (e.g. government Officials or ENP conference participants) to enter the EU. In this context, the Commission argued that "the political benefits of acting in relation to these categories would therefore far outweigh any effort involved" (Ibid: 5). As a response to the above difficulties, the Commission provided various actions that could facilitate the visa procedures, for instance, establishing rules applicable to students and researchers. Finally, the Commission stressed that the

Council and the Parliament should work on the Commission's proposals as soon as possible and "it is for the **Member States to swiftly implement these measures**" (Ibid:8, emphasis in original).

6.2 The Commission's 'A Strong European Neighbourhood Policy' mid-term report

On December 5th 2007, the Commission issued its second mid-term report (COM 774 final, 2007). In the Communication, the Commission described the EU's offer as "more for more", i.e. the more the ENP partners will be committed to implementing reforms, the more the EU will enhance its political, economic, financial and technical cooperation with them. The Commission acknowledged that good progress was achieved since the ENP was launched but at the same time noted that "a great deal remains to be done. In most ENP partner countries the need for political, social and economic reform is huge" (Ibid:2). Similar to the first mid-term report, the Commission identified several policy areas which needed to be strengthened. However, it is worth noting that the Commission stressed that the objective of this report was to focus on actions that need to be implemented by the Union in general and by the member states in particular.

First, referring to economic integration, the Commission highlighted that the DFTAs "are the keys to increased economic integration with ENP partners" (Ibid:4). In order to reach this high level of integration, the EU provides financial and technical support to neighbours. Still, according to the Communication, further incentives are needed. Second, in the area of mobility, the Commission underlined that "the ability of people to move and interact with each other is of the utmost importance for many aspects of the ENP, from trade and investment to cultural exchanges" (Ibid:5). The report provided a brief overview on previous Commission's proposals on facilitating visa procedures and pointed out that further work should be done, especially in relation to simplifying short-term visa procedures. Third, as to EU's political dialogue with partners, the Commission stated that the EU could do more and be

more active in respect to regional conflicts in the neighbourhood. It was also suggested that EU actions “need to be planned and coordinated with longer-term EC policies which address the overall institutional and governance context and thus favour stabilisation” (Ibid:6).

In the context of operational issues, the Commission mentioned that the three-year Action Plans for Moldova, Ukraine and Israel were close to their end and recommended, pending further developments with the three partners (e.g. the possible conclusion of Ukraine’s new Enhanced Agreement) - that their Action Plans be extended for another year. In addition, the Commission stated that it will continue to engage with partners that do not have Action Plan in place, namely Algeria, Syria, Libya and Belarus. Finally, the Commission concluded the report by declaring that “sustained effort is required to ensure that the offer made to ENP partner countries comes up to their expectations” (Ibid:11).

6.2.1 ‘A Strong European Neighbourhood Policy’ report – PA perspective

Much like the Commission’s first mid-term report, the starting point for analysis begins with the Commission issuing a Communication as a result of its obligations, set out in the ENP Strategy Paper (COM 373 final, 2004:10) and endorsed by the GAERC (GAERC 2004b) and the European Council (Brussels European Council 2004:14).

However, it seems that apart from sporadic comments of the GAERC and the European Council about the importance of the ENP to the EU, the agent’s previous complaints concerning its principals did not generate satisfying results as the agent continued to criticise its principals for their lack of commitment.

First, at the beginning of the report, the Commission stated that “the focus in the coming period must be on implementation of existing commitments, both by partner countries, and by the EU. Efforts are required on both sides” (COM 774 final 2007:2). Second, on the topic of economic integration, the Commission maintained that “determined efforts will be required from all parties to take this agenda forward” (Ibid:4). Referring to the objective of concluding DFTAs with partners, the Commission foresaw that “further proportionate efforts are required from all parties to conclude negotiations successfully” (Ibid: Ibid). Also, focusing on the EU’s obligations, the Commission argued that “the EU side needs to show increased political commitment to foster economic integration and to improve market access. The support of Member States for the Commission’s effort...will be crucial, in particular by limiting the number of products excluded from full liberalisation” (Ibid: Ibid). Third, on mobility, the Commission claimed that the member states were not using the full range of possibilities for the facilitation of travel. For instance, EU members could conclude bilateral agreements with ENP partners regarding people-to-people contacts in border areas. Furthermore, the Commission urged the Council and the EP to adopt its previous proposals on visa procedures. The Commission concluded by stating that “in 2008, the Commission, Council, European Parliament and EU Member States must cooperate even more closely to strengthen the ENP (Ibid:11).

Against this background, we can see that the agent was trying again to put political pressure on its principals to commit themselves to the ENP, especially in the area of market access and mobility. In fact, this is evident not only in the December 2006 and 2007 reports but also in Commissioner Ferrero-Waldner’s speeches in 2007, where she explicitly admitted that the Commission has to work hard in convincing the member states to cooperate in those areas. For example, referring to economic issues, she affirmed that “the Commission will continue to push hard on economic integration” (Ferrero-Waldner 2007:2). Moreover, Ferrero-Waldner argued that “trade liberalisation does of course require efforts from both sides...we [Commission] are specifically seeking the support of Member States for tangible and

visible signals to our partners” (2007b:4). In the area of mobility, the Commissioner maintained that “we [Commission] have pushed our Member States hard on visa facilitation” (2007:3) and “also call upon Member States to make full use of the opportunities under existing visa rules” (2007b:4). In any case, the Commissioner stressed that “the Commission will continue to push this difficult but vitally important issue” (2007:3).

Going back to the Commission’s second mid-term report, it was apparent that the agent is trying again to persuade its principals to cooperate by not only putting political and public pressure on them but also by arguing that their active engagement with the ENP would bring benefits to the EU. In so doing, the Commission declared that “spreading peace and prosperity across the borders of the EU prevents artificial divisions and creates benefits for the ENP partners and the EU alike” (COM 774 final, 2007:2). In the area of mobility, the Commission underlined that “mobility is in itself a key foreign policy priority as this is the prism through which the citizens of partner countries perceive the EU” (Ibid:5). Referring to regional conflicts in the neighbourhood, the Commission warned that “they could affect the EU’s own security, through regional escalation, unmanageable migratory flows, disruption of energy supply and trade routes, or the creation of breeding grounds for terrorist and criminal activity of all kinds” (Ibid:6). The Commission concluded the report by stating that further work on the ENP “may sometimes entail difficult decisions, but their costs will be outweighed by the long-term benefits to EU citizens and neighbours alike” (Ibid:11). Noting the aforesaid, we could see that the agent again used the strategy of packaging, i.e. trying to effect the cost-benefit calculation of its principals (Tallberg 2000).

In the end, the mid-term report of December 2007 rather resembles the Commission’s report from the previous year. Both Communications were used by the agent to identify the challenges the ENP faces and also aimed to put political

pressure on the principals. In addition, not only the Communications criticised the principals but also tried to persuade them to commit themselves to the ENP by linking arguments to the principals' cost-benefit considerations.

6.2.2 'A Strong European Neighbourhood Policy' – endorsement

Shortly after the Commission issued its report, on December 10th 2007, the Council debated the ENP and was briefed by the Commission on the proposals to develop the ENP further (GAERC 2007d:6). Subsequently, On December 14th, the European Council provided its views on the report. Essentially, it repeated the importance of the ENP, welcomed the Commission's proposals to strengthen the ENP, and invited the next Presidencies to continue working on developing the ENP based on those proposals. Furthermore, the future work on the ENP should include "both the eastern and southern dimensions in bilateral and multilateral formats" (Brussels European Council 2007b:21).

On February 18th 2008, the GAERC, following a presentation by the Commission, held another debate concerning the ENP. In its conclusions, the Council restated the main features of the ENP, i.e. a single policy framework which is distinct from the enlargement process and based on joint-ownership and differentiation. Moreover, it mentioned the policy fields which were cited by the Commission (e.g. economic integration, mobility, conflict resolution and sectoral and regional cooperation), stated that they should be strengthened and repeated their importance to the successful implementation of the ENP.

Interestingly enough, possibly due to the Commission's criticism, throughout its conclusions the Council repeated over and over again the willingness of the EU to commit to the ENP. For instance, the Council stated that the EU "reiterates its

willingness and determination to continue to assist its neighbours”, “stands ready to work with ENP partners to help implement ENP Action Plans”, and “reaffirms its willingness to deepen EU cooperation with ENP partners” (GAERC 2008a: 9,10). Finally, the Council welcomed the Commission’s report and argued that it “provides a useful basis for further reflection by the Council” (Ibid:8).

6.3 The Commission’s progress reports on the implementation of the ENP in 2007

On April 3rd, the Commission issued its reports on the progress made in 2007 (COM 164, 2008; SEC 1512/2, 2008). As previously noted (see 6.2), the Commission’s second mid-term report focused on the Union’s obligations for strengthening the ENP. The following progress reports, however, drew attention to the situation in the ENP partners.

First, referring to contractual links between the EU and the partners, the EU concluded PCA or AA with all ENP partners excluding Belarus, Libya and Syria while Ukraine and the EU have opened negotiations on a new Enhanced Agreement. As for the Action Plans, 12 out of 16 ENP partners have adopted their Action Plans.¹¹⁰ Furthermore, four countries (Ukraine, Moldova, Morocco and Israel) are expected to upgrade their relations with the EU as they showed significant progress in the implementation of their Action Plans.

Overall, both reports showed a clear shift towards strengthening the relations between the EU and ENP partners, in the words of the Commission: "within the EU, the importance of strengthening relations with our neighbours has moved closer to

¹¹⁰ Belarus, Syria, Libya and Algeria are still without Action Plans.

the centre of the policy debate" (COM 164, 2008:10). In particular, various platforms of cooperation, for instance aligning positions with the EU's CFSP positions, participation in Community programmes and agencies, TAIEX and Twinning programmes; are now being opened to ENP countries. Yet, a rather mixed picture is revealed concerning the progress of individual partners or regions (East/South) as well as across and within policy areas and sectors. For instance, regarding economic reforms, there was some progress in areas such as customs, taxation and financial services, but rather limited and slow progress was made in company law, intellectual property rights and movement of capital and payments.

On a multilateral level, the Commission took notice of the developments in the Southern as well as the Eastern neighbourhoods. In the Eastern neighbourhood, implementation had already begun under the framework of the BSS. In the Southern neighbourhood, the Commission stated that following the approval of the European Council, a new initiative will be launched towards the South, namely the Union for the Mediterranean (COM 164, 2008; SEC 403, 2008) which is the focal point of the next section.

6.4 The Union for the Mediterranean

On May 20th 2008, the Commission submitted its proposal for a new initiative towards the Mediterranean region - 'Barcelona Process: Union for the Mediterranean' (COM 319 final, 2008). However, before we examine the Commission's Communication, it is essential to understand the genesis of the initiative.

The idea to formulate a new policy towards the Mediterranean was introduced in February 2007 by the French President¹¹¹ Sarkozy. During a speech in Toulon, Sarkozy proposed establishing a ‘Mediterranean Union’ which covers the Northern and Southern Mediterranean coastal countries. In addition, the Mediterranean Union would create new institutions, situated outside of EU structure and focus on issues like illegal immigration, organised crime, terrorism and energy security.

There were three key objectives that the new endeavour meant to achieve. First, the Mediterranean Union was to strengthen the French foreign policy position in general and its strategic position in the Mediterranean in particular. Second, the initiative aimed to inject new blood into the stagnated EMP, specifically by establishing intergovernmental-based institutions that promote a new sense of co-ownership for the Mediterranean partners while focusing on economic cooperation and specific projects rather than sensitive political matters. Third, the Mediterranean Union was to provide an alternative for Turkey’s membership in the EU (Emerson & Tocci 2007; Escribano & Lorca 2008; Gillespie 2011; Süel 2008; Aliboni 2009; Wodka 2010).

6.4.1 Response by the member states/Commission

The French proposal drew a wave of criticism from both member states and the Commission.¹¹² **Spain** and **Italy** were worried that the French over-activism in the Mediterranean would overshadow their interests in the region. Basically, neither of them was opposed to the idea of creating a new policy towards the South, but they were rather opposed to the policy’s design – mainly in respect to the exclusion of the other member states and EU institutions. The Spanish standpoint was that all EU

¹¹¹ At the time, Sarkozy was a presidential candidate.

¹¹² In fact, there were also some non-EU Mediterranean countries (e.g. Turkey) that opposed the Mediterranean Union in its original form.

members needed to be involved in order to secure funding for the initiative. Also, Spain was against the idea that only Mediterranean member states would engage with the Mediterranean neighbours as it was also an objective for South-oriented member states to bring up the Mediterranean on the agenda as a European priority rather than a national/regional one. Finally, Spain did not appreciate the French explicit criticism of the EMP, which is regarded as the flagship of Spanish foreign affairs in the EU, and was concerned about the relations between the new initiative and the EMP.¹¹³ Therefore, based on the French proposal, Spain offered to create a new institutional structure which would include all EU member states (and the Commission) and consists of a Euro-Mediterranean Council, a permanent Commission (i.e. secretariat) and Committee of Permanent Government representatives (Gillespie 2008; Kratochvíl & Tulmets 2010; Wodka 2010; Escibano & Lorca 2008).

The **United Kingdom** was also concerned about the French project. The main point of its criticism was that the EU would allocate further funds to the Mediterranean region but non-Mediterranean member states would not have a voice in the new institutions created by the Mediterranean Union. Still, similar to the ENP formulation stage, the UK kept a rather low profile since the initiative was not considered as a high priority (Balfour 2009; Bicchi 2011).

Germany could be considered the most vocal opponent of the French project. First, Germany was worried that the Mediterranean Union would weaken the existing policies towards the Mediterranean. Second, Germany accused France of trying to hijack European funds in order to pursue national ambitions. Third, the Germans were also upset that throughout the early days of the initiative, France had acted in a unilateral way, thus neglecting the long-standing German-Franco alliance. Finally,

¹¹³ As illustrated in chapter five (see 5.4.1).

Germany warned that the initiative could also lead to fragmentation (South vs. East) and even disintegration within the EU. Thus, the German Chancellor, Angela Merkel, explicitly stated that Germany would veto the initiative if it was not linked to the EU and to existing frameworks (Gillespie 2008; Balfour & Schmid 2008; Kratochvíl & Tulmets 2010; Schumacher 2011).

In the case of **Sweden**, the Swedes were also concerned about more funds being allocated to the Southern neighbourhood and that the European responsibility over the Mediterranean would be delegated solely to Mediterranean member states. Moreover, Sweden opposed the French exploitation of the EU Presidency institution¹¹⁴ and threatened that it would regain control over the policy during its term as EU Presidency.¹¹⁵ Finally, the Swedes highlighted that during the debate about the French initiative towards the South, the EU should not neglect the Eastern neighbourhood (Balfour 2009; Gillespie 2011; Schumacher 2011).

Poland, as previously mentioned (see 5.4.1), is one of the most passionate supporters of the Eastern neighbourhood. After its lack of success in securing an Eastern dimension in the ENP and following the fruitless German attempt to create a new *Ostpolitik* in 2006, the Poles feared from a new shift towards the South. However, in comparison to Germany, which openly criticised France, Poland kept a low profile and tried to avoid making any comments which imply their opposition or support for the French project. The rationale behind this behaviour was the assumption that the creation of a new initiative towards the South could create a political environment which will support the Polish ambition to create a policy towards the East (Schumacher 2011; Wodka 2010).

¹¹⁴ France was chosen to hold the Presidency in the second half of 2008.

¹¹⁵ Sweden was chosen to hold the Presidency in the second half of 2009.

Finally, **the Commission** was very much against the Mediterranean Union as well. It viewed the initiative as a French attempt to keep it on the side-lines and opposed the idea that the Mediterranean Union would be situated outside of EU structures and existing frameworks (Interviews A, B, D, EU; Escribano & Lorca 2008; Delgado 2011). However, it is noteworthy that in comparison to some EU members, the Commission did not take any official position as “the initiative was not within the Community competences...it was mostly interaction between member states” (Interview F, EU, see also Interviews B, E, EU).

To sum up, the French proposal faced serious resistance. The main point of criticism shared by both the member states and the Commission was that the initiative was designed outside EU structures without taking into consideration existing policies towards the Mediterranean region. Therefore, fearing that the proposal would not be approved, France had to shift from its unilateral mode of action in order to forge a compromise which would attract the consent of all EU members.

6.4.2 The Union for the Mediterranean – the compromise

In June 2007, the French President sought unsuccessfully to bring Italy on board by meeting with Romano Prodi, now acting as the Italian Prime Minister rather than the President of the Commission (Gillespie 2008). Spain and Italy, in fact, were collaborating with the aim of revising the French initiative. The two member states held two summits in 2007 and came to an agreement that they would support the Mediterranean Union on the conditions that (a) the initiative would be situated within EU structures, (b) the initiative would complement rather than replace existing policies, (c) the Commission should be involved while funding has to originate mainly from the EU, and (d) the name of the project (Mediterranean Union) which might imply sort of political union, should be changed. Consequently, President Sarkozy revised its original proposal (now named the Barcelona Process: Union for the Mediterranean) following a meeting between France, Spain and Italy on

December 20th 2007 in Rome (Gillespie 2008; Escribano & Lorca 2008; Kratochvíl & Tulmets 2010; Delgado 2011).

However, the Union for the Mediterranean became officially Europeanised after a summit between Germany and France in Hannover on March 3rd 2008 (Gillespie 2008; Balfour 2009; Kratochvíl & Tulmets 2010). The German-Franco compromise was presented to the European Council on March 13th 2008. Following the joint presentation, the European Council issued a statement that it “approved the principle of a Union for the Mediterranean which will include the Member States of the EU and the non-EU Mediterranean coastal state” (Brussels European Council 2008a:19) and invited the Commission to submit its proposal in preparation for the UfM summit in Paris in July 2008.

Indeed, the cooperation between France and Germany was essential for the UfM to come into life. However, besides the German pressure on France and the threat that Germany would use its veto powers if Sarkozy did not amend the policy, France needed to make further concessions in order to secure the approval of the initiative. In fact, the new policy towards the Southern neighbourhood triggered a feeling among East-oriented EU members that “if pure ENP is not good any more for the Mediterranean, why should it be sufficient for the partners in the East of the European sub-continent?” (Kochenov 2009:30). As such, to counterbalance the EU’s shift towards the South, the Poles and Swedes conditioned their approval of the UfM by receiving guarantees from France that it will support the establishment of a new initiative towards the East (Aliboni et al. 2008; Schumacher 2011; Gillespie 2011; Interviews C, J, K, MS).

6.4.3 The Commission's Communication: 'Barcelona Process: Union for the Mediterranean'

Following the invitation of the European Council to present proposals for the UfM, the Commission introduced its Communication on May 20th 2008 (COM 319 final, 2008). First, the Communication provided background information on EU relations with the Mediterranean under the framework of the EMP while arguing that “the Partnership has witnessed a strong promotion of multilateral and bilateral relations, but now needs a qualitative and quantitative change” (Ibid:3). According to the Commission, the UfM would provide added-value to the EMP in three ways: (a) the initiative upgrades the political level of the relationship between the EU and the Mediterranean; (b) the UfM provides a stronger sense of co-ownership; and (c) the UfM aims to make EU-Mediterranean relations more concrete and visible by focusing on additional regional and sub-regional projects.

Referring to the scope and main objectives of the UfM, the Commission stated that the initiative should be built upon existing elements of the EMP (the Barcelona Declaration, main areas of cooperation and institutional structures). Moreover, the UfM would consist of all member states and the Commission, together with the members (and observers) of the EMP and other Mediterranean coastal states.¹¹⁶ Moreover, the UfM, despite its multilateral orientation, would be designed to be complementary to the bilateral relations the EU has with the UfM partners (i.e. the ENP partners).

As for the ways the EU and the Mediterranean partners should upgrade their relations, the Commission proposed to hold biennial summits of Heads of

¹¹⁶ Mauritania, Morocco, Algeria, Tunisia, Libya, Egypt, Jordan, Palestinian Authority, Israel, Lebanon, Syria, Turkey and Albania, Croatia, Bosnia and Herzegovina, Montenegro and Monaco.

Government.¹¹⁷ The summits would be concluded (by consensus) with a political declaration and possibly a list of projects to be launched. Meetings in the level of Foreign Affairs Ministers would be held between summits with the objective of monitoring implementation and preparation of the next summit.

In order to promote a sense of co-ownership, two new institutions are to be established. First, the UfM would have a Co-Presidency (one president from the EU and the other from a non-EU partner). This arrangement, according to the Communication, “will increase and improve the balance and the joint-ownership of our cooperation” (Ibid:6). Second, the UFM Secretariat would report to the Euro-Mediterranean Committee. Its designated role is to make proposals for joint initiatives and to follow up on decisions made by the political level (Heads of Government). As for funding the Secretariat, running costs would be shared equally between the EU and the Mediterranean neighbours. Still, at this point, the Commission neither specified the exact composition of the Secretariat nor its location since these matters are yet to be decided. Also, the Commission proposed to establish a Joint Permanent Committee composed of representatives from all UfM members and the Commission. The Joint Committee would prepare the meetings of Senior Officials and assist the Co-Presidencies in preparation for summits and Foreign Affairs Ministers meetings.

Regarding more concrete elements of the UfM, the Commission stated that the project dimension should be at the center of the initiative. As such, the Commission already identified four projects¹¹⁸ that could be considered by the partners. On

¹¹⁷ The first summit to be held under the French Presidency in July 2008 with the aim of launching the UfM and defining its structure and objectives.

¹¹⁸ De-pollution of the Mediterranean and sound environmental governance, civil protection, solar energy and land/maritime transport.

funding, the Commission stated that funding should come from the Mediterranean partners and member states' contributions, the private sector and international financial institutions, as well as from the ENPI budget. Finally, the Commission invited the European Council to discuss and endorse its proposal in the next European Council meeting in June 2008 and eventually to present an agreed position at the UfM summit in Paris scheduled for July 2008.

6.4.4 The Union for the Mediterranean – endorsement

Shortly after the Commission issued its Communication on the UfM, on May 26th, Poland and Sweden gave a presentation at the GAERC meeting on their new initiative towards the East – the Eastern Partnership.¹¹⁹ Thereafter, the Council held a debate on the UfM as well as on the need to strengthen EU's relations with the Eastern neighbourhood (GAERC 2008b:24). Subsequently, on June 20th 2008, the European Council issued its conclusions on the UfM. The European Council stressed the strategic importance of the Mediterranean and stated that the new initiative would complement and reinforce existing policies in the region, i.e. the EMP and ENP. In addition, it welcomed the Commission's Communication on the UfM and concluded that on the basis of the Communication, "the EU will conduct the necessary consultations with all Euro-Mediterranean partners with a view to preparing a joint declaration to be adopted at the Paris Summit" (Brussels European Council 2008b:18).

On July 13th 2008, the first UfM Summit was held in Paris with the participation of Euro-Mediterranean Head of States and Government, representatives of EU institutions and regional organisations. In a Joint Declaration, the Paris Summit launched the 'Barcelona Process: Union for the Mediterranean' (Paris Declaration 2008). Based on the Commission's proposal, the Declaration repeated the main

¹¹⁹ The Eastern Partnership is analysed in detail later in the chapter (see 6.5).

elements of the policy: the policy is based on existing frameworks (EMP and ENP), focuses on projects and provides an added-value by upgrading EU's relations with the Mediterranean. Additionally, the Declaration provided further clarification as for the institutional settings of the UfM, for example that the political mandate is under the responsibility of the Ministers of Foreign Affairs and Senior Officials while the mandate of the UfM Secretariat is of technical nature. Referring to projects, six areas of cooperation were identified: (a) de-pollution of the Mediterranean; (b) maritime and land highways; (c) civil protection; (d) alternative energies: Mediterranean solar plan; (e) higher education and research, Euro-Mediterranean University; and (f) the Mediterranean business and development initiative (Annex, Ibid). Finally, since there were few ongoing institutional topics to be discussed, the Summit invited the Foreign Affairs Ministers "to finalise, during their next meeting in November, the modalities for the institutional set-up of the initiative" (Ibid:17).

On November 3rd - 4th 2008, the UfM Foreign Affairs Ministers meeting was held in Marseille. During the meeting, it was decided to change the name of the initiative from 'Barcelona Process: Union for the Mediterranean' to 'Union for the Mediterranean' (Marseille Declaration 2008). The Ministers reiterated that the UfM's goal is to complement and reinforce existing frameworks and assessed the development of projects related to the six areas of cooperation identified at the Paris Summit. In addition, the Ministers introduced the work programme for 2009 (sectoral ministerial meetings) as well provided a detailed list of the fields of cooperation to be pursued in 2009 (e.g. political and security dialogue, maritime safety, economic and financial partnership, and cultural cooperation).

In the context of institutional structure, the Ministers stated that the Summit of Head of States would be held biennially and would be responsible for endorsing the strategic priorities of the UfM which would be submitted to it by the Foreign Ministers meetings. The institution of the Co-Presidency, which consists of

Presidents from both the EU and the Mediterranean partners, would apply to all UfM structures (the Summits, Ministerial meetings and Senior Officials). It will function as an agenda-setter in the UfM bodies and will conduct necessary consultations with all actors that will lead to the adoption of conclusions by consensus. The level of Senior Officials is composed of Officials from the Ministries of Foreign Affairs of the 43 UFM members, EU institutions and the League of Arab States. The Senior Officials are mandated to deal with all aspects of the UfM and take decision by consensus. The Senior Officials will be responsible for progress evaluation of the UfM implementation. Also, this level will prepare Ministerial meetings, submit project proposals (submitted by the Secretariat) as well as annual work programmes. The Joint Permanent Committee, based in Brussels, will assist and prepare the meetings of Senior Officials and ensure follow-up. The UfM Secretariat, based in Barcelona, will be responsible for the identification, follow up and promotion of projects as well as finding funding for projects. It will gather regional, sub-regional and transnational project initiatives and manage their implementation, monitoring and evaluation. The Secretariat will work in cooperation with the UfM bodies, especially the Co-Presidency and will report to the Senior Officials. Finally, the Secretariat will have a technical rather than political nature with a separate legal personality and an autonomous status (Marseille Declaration 2008).¹²⁰

In December 2008, the European Council endorsed the decisions made during the Marseilles Summit which clarified the procedures ruling the UfM. Furthermore, the European Council called “for the further ambitious implementation of this initiative in all its dimensions” (Brussels European Council 2008d:10).

All in all, having a rough start, it appears that the UfM did not enjoy a very successful implementation process. Although the success of the UfM (or the ENP for

¹²⁰ <http://ufmsecretariat.org/who-we-are/>

that matter) is not the focus of this study, it would not be controversial to suggest that the UfM turned out to be a rather ineffective initiative. Problems with the Co-Presidencies, the Secretariat's inability to attract sources of funding, power struggles between partners, lack of commitment, escalation in the Middle East Conflict are all just a few of the various problems which the UfM faced since its launch in 2008. Therefore, Kochenov argues that the UFM "ended up flying very low, de facto creating little next to nothing" (Kochenov 2009:28, see also Bicchi 2011; Tocci & Cassarino 2011). By same token, various interviewees point out that the UfM could be considered as a failure since almost no projects were launched and there were actually no developments since its introduction in 2008 (Interviews A, D, E, K, N, EU; Interviews C, G, J, MS).

6.4.5 The Union for the Mediterranean – PA perspective

Taking note of the development of the UfM, how could it be explained using PA approach? Similar to the 'ENP Plus' which meant to establish a new Eastern Policy, the French Mediterranean Union featured a principal who shortly before obtaining the EU Presidency aimed to introduce an initiative which mainly followed national interests. However, in comparison to the German project, the French endeavour could certainly be seen as a better example of principal subversion.

Referring again to Thompson's (2007) work on the principal problem, Thompson defines principal subversion as a situation where "even if the agent is faithfully pursuing collective interests, individual members may have an incentive to obstruct agent performance-an especially tempting strategy for powerful states" (Ibid:10). In the case of the UfM, there are several ways in which France, as a principal, managed to obstruct the work of the Commission.

First, examining the original idea proposed by President Sarkozy in early 2007, the proposal aimed to shift the focus towards the Southern Neighbourhood, thus unravelling the compromise to combine the Southern and Eastern neighbourhoods which was advocated by the agent and agreed by the principals during the ENP formulation and finalisation stages. Actually, in its Communication of December 2006, the Commission reaffirmed that one of the key strengths of the ENP is that it provides “a single, clear framework covering the neighbourhood as a whole in which to discuss and handle the whole range of issues between the EU and each partner” (COM 726 final, 2006:3).

In addition, the French standpoint was that the ENP and EMP failed to reach their objectives and the proposal to create a Mediterranean Union was meant to deviate from the main elements guiding existing policies and consequently did not include any reference as to how it is supposed to co-exist with the EMP and the ENP. As such, the French proposal ignored the political consensus which was reached previously following the establishment and implementation of those policies (Kochenov 2011, 2009; Balfour 2009; Holden 2011; Tocci & Cassarino 2011).

What is more, the French initiative sought to create an institutional framework which covered only the Northern and Southern Mediterranean coastal countries and situated outside of EU structures. The French intention, in fact, could be seen as an extension of Thompson’s definition. France, in its pursuit to lead the group of South-oriented Mediterranean member states in establishing a new partnership in the Mediterranean region, decided, *ex-ante*, to exclude the Commission and non-Mediterranean member states from the policy. Hence, rather than only hindering the work of the agent, the

principal actually chose to bypass the agent (and some of the principals) in order to cooperate directly with the Mediterranean partners.¹²¹

Second, in comparison to the ENP, the Commission had been involved in the UfM only in the later stages (since March 2008). From the very beginning, France acted in a unilateral way, without any consultations with other member states or the Commission – “This was a time of presentation, not interaction” (Delgado 2011:48). Facing fierce criticism, France had to shift gears and start cooperating with other member states in order to attract support. However, rather than using the agent as a mediator, the Commission was excluded from the process while the French engagement with other principals was based on intergovernmental interaction, conducted bilaterally, often through informal channels (Gillespie 2011; Bicchi 2011; Kochenov 2009). Also, as previously mentioned, the Commission opposed the French initiative but did not take any official position during the intergovernmental bargaining period between the member states (Interviews B, F, E, EU). In fact, an EU Official noted that during this time-period “the Commission was never recognised as an actor” (Interview B, EU).

Third, following pressure from various EU members, France had to back down from its original proposal and the Mediterranean Union was Europeanised. The agent became involved only once the basic compromise between key principals (France, Germany, Italy, Spain, Poland and Sweden) was achieved and there was a need to incorporate the interests of all the principals as well as finding the way to integrate the UfM into existing frameworks, in the words of one EU Official: “to combine between the politics and technicalities” (Interview N, EU, see also Interviews A, K,

¹²¹ This behaviour, to some extent, is also captured by Nielson and Tierney’s study (2003) of the World Bank environmental reform where they view the attempts of actors to influence the agent directly by avoiding the chain of delegation as ‘leapfrogging’ (for reverse leapfrogging see Elsig 2011).

EU; Seeberg 2010). As such, in March 2008, the European Council delegated the Commission with the task of submitting a proposal for its consideration.

Being against the initiative from the very beginning and forced to stay on the sidelines throughout the initial stages, the agent faced quite a challenge to produce a clearly-defined and comprehensive proposal. Moreover, “the lack of multilateral European discussion meant that no effective compromise or consensus emerged over the UfM design” (Gillespie 2011:1218). Therefore, the agent could provide only some clarifications regarding the main elements of the emerging UfM but in the context of the institutional set-up and the relations between the UfM and the EMP/ENP, many questions were left unanswered. A key example is the case of the UfM Secretariat where “faced with a potential minefield, the European Commission hesitated over defining its own level of representation within the Secretariat” (Ibid:1219) and stated that “the organisation of the secretariat and the composition of the staff will be approved by the Euro-Mediterranean Committee” (COM 319 final, 2008:7).

Fourth, despite the fact that the UfM was brought back into the EU, the final decisions on establishing the UfM, as articulated in the Paris and Marseille Declarations, contradict the logic behind the ENP (and EMP), add another unnecessary layer of policy framework and diminish the role of the Commission in the Mediterranean.

Examining the UfM, it seems that despite the involvement of the Commission in the policy, to a large extent, the UfM, its bodies and decision-making procedures are based on intergovernmentalism, thus strengthening the role of national governments. Furthermore, the Commission’s role in agenda-setting, managing funds, implementing and evaluating progress is insignificant in comparison to its position in

the ENP and EMP (Johansson-Nogues 2011; Balfour 2009). In addition, the establishment of the UfM Secretariat runs the risk of a competition between the new organisation and the Commission as both share the same tasks of managing projects in the Mediterranean (Gillespie 2011; Süel 2008). Muddying the water even more, since the Secretariat faced difficulties to attract funding (both private and public) for the UfM projects, it is questionable whether the UfM will be able to raise more funds apart from using the existing ENPI budget which is, in any case, rather scarce (Escribano & Rodriguez 2011; Balfour 2009). In other words, the agent has to implement the very ambitious objectives of the ENP with very limited financial resources while having to use the ENPI budget to support the UfM as well.

The fact is that not only does the UfM Secretariat duplicate the function of the Commission but many 'new' aspects in the UfM were already established under existing frameworks. Also, some of the actions which were suggested could be implemented without establishing a new framework and what is more, some were previously suggested and then abandoned. For example, the idea to establish the Co-Presidency was brought up before but was dismissed (mainly because of the Middle East conflict) while the UfM's objectives, as articulated in the Paris Declaration, are identical to those of the ENP and EMP. Moreover, the projects offered by the UfM could have been easily implemented in the multilateral framework of the EMP (Kochenov 2009, 2011; Schwarzer & Werenfels 2008; Wodka 2010; Interviews D, K, EU; Interview C, MS).

Principally, the shift towards intergovernmentalism was for the sake of increased co-ownership, in the words of Henry Guaino, the UfM's architect: "it is essential that power be transferred from the EU and the Commission to the governments in the framework of a body in which SEM¹²² countries can make their own decisions,

¹²² SEM - countries of the Southern and Eastern Mediterranean.

undertake initiatives and if need be, say ‘no’ to European proposals” (Aliboni 2009:4). However, the principle of co-ownership and the focus on technical projects without any reference to reforms stand in contradiction to the social, economic and political reforms the ENP is wishing to promote through the use positive conditionality. Put differently, giving the power back to the UFM national governments means that EU’s leverage to foster change reduces extensively (Balfour 2009; Delgado 2011; Tocci & Cassarino 2011).

Against this background, one might ask how the Mediterranean Union, which runs against the preferences of most of the principals as well as the agent, came into being and, in actual fact, managed to keep many elements from the original proposal. Indeed, there is a certain rationale behind the UfM – the EMP was stuck, the ENP made only limited progress and EU’s relations with the Mediterranean countries were based on asymmetrical relationship favouring the EU. As such, the principle of co-ownership and the pragmatic approach of focusing on projects could have, in theory, positive effect (Seeberg 2010; Interview B, EU).

However, more importantly was the fact that the French used everything at their disposal to push the initiative forward, as illustrated by an EU Official who recalled that President Sarkozy “pushed things and bullied everyone. The French were all over the place. The whole French administration was involved in selling the policy” (Interview D, EU). Also, Delgado maintains that France invested “a huge amount of diplomatic resources” (2011:50) while Gillespie states that Sarkozy was accompanied by “presidential aides and a bevy of policy consultants” (2011:1209). Gillespie continues by saying that “the French UfM team consists of over 20 people, whereas other Member States rely on no more than two or three senior Officials from their foreign ministries, and most do not cultivate regional specialists” (Ibid: Ibid). Following the same line, an EU Official confirmed that the UfM “was endorsed because the French pushed very hard” (Interview E, EU) while a national diplomat

argued that “It [the UfM] was eventually endorsed due to extreme political pressure from the French who devoted a lot of political capital into the policy” (Interview H, MS). Finally, Gillespie points out that despite the fact that the UfM attracted waves of criticism, France was not really challenged by other member states as many of them (a) were interested in collaborating with France in other policy areas, (b) had weak preferences towards the Mediterranean, or (c) were waiting for the UfM to collapse on its own (2011:1214).

To sum up, the objective of the original proposal of France, as a principal, was not only to create a policy towards the South which is more in line with French interests and pose a threat to the ENP and EMP but also to bypass the agent (and some of the principals). Although France had to Europeanise the Mediterranean Union by integrating the initiative into EU institutions and policies, the negotiations process as well as the final output was intergovernmental-based (between the principals). France, as a powerful principal, used its powers (in qualitative and quantitative terms) to push the UfM forward and without the involvement of the Commission, managed to gain the support of reluctant member states by providing side-payments, for example assuring its support to the establishment of an EU Eastern dimension. Therefore, on the one hand, in the words of Bicchi “the UfM was launched because a very small group cajoled an uninterested majority into yet another initiative for the Mediterranean” (Bicchi 2011:8). On the other, the Commission, first as ‘agent non grata’ and then a part of the UfM in a limited capacity, had to muddle through its decrease of powers which were due to one principal's ambition rather than as a response to agency shirking.

As previously noted (see 6.4.1), the establishment of the UfM, triggered a demand by some of the East-oriented member states to launch an initiative towards the Eastern neighbourhood. This initiative, namely the Eastern Partnership, will be the focal point of the following section.

6.5 The Eastern Partnership

The Eastern Partnership did not emerge in a vacuum. Attempts to establish an Eastern dimension could be traced back to the original beginning of the ENP in 2002 and the German ‘ENP Plus’ in 2006. However, the establishment of the UfM created a political environment where East-oriented member states could advocate for launching an initiative towards the East. As France needed the support of all EU members to launch the UfM, Sweden and Poland traded their support for French assurances that it would support their proposal.

On May 26th 2008, during the GAERC meeting, the Polish and Swedish Ministers for Foreign Affairs, Radoslaw Sikorski and Carl Bildt, gave a presentation on the Eastern Partnership which was followed by a debate in the Council concerning the Southern and Eastern neighbourhoods. Eventually, the Council decided that “the issue will be further tackled at the European Council in June” (GAERC 2008b:24).

According to their proposal, the Eastern Partnership (EaP) would cover six ENP partners (Ukraine, Moldova, Belarus, Azerbaijan, Georgia and Armenia) and “should be based on, but go beyond the current ENP” (Polish-Swedish proposal 2008). According to the proposal, relations with the EaP partners would be based on bilateral as well as multilateral cooperation. The bilateral level would include, for example, visa facilitation, creating a deep free trade area (based on DFTAs), and offering the partners new agreements which go beyond the current PCAs. The multilateral level would focus on concrete projects, based on flexible participation and be complementary to existing regional initiatives (e.g. the BSS). As for finance, the proposal offered to use the available resources of the ENPI, thus making the EaP neutral for EU budget. However, additional resources could be originated from finance institutions, member states or partners. Referring to the institutional framework, the proposal recommended that the “institutional structure should be as light-weight and goal-oriented as possible” (Ibid). Finally, the proposal identified

five possible areas of co-operation, namely political and security, borders and trans-border movement, economic and financial, environment and social.

At this stage, the EaP, in comparison to the French UfM, did not attract much criticism from member states or from the Commission. Still, the Commission was concerned that the EaP would duplicate existing regional frameworks. Commissioner Ferrero-Waldner was also opposed to the Polish standpoint that the EaP partners are categorised as ‘European neighbours’ while the Southern Mediterranean partners viewed as ‘neighbours of Europe’.¹²³ In other words, the Commission was against the view that the East should be described as having a stronger connection to the EU than the South.

In June 2008, the European Council welcomed the proposal to establish a new Eastern policy and acknowledged the need to promote bilateral as well as multilateral cooperation between the EU and the Eastern neighbourhood. It also stated that the initiative should be based on the ENP and complementary to existing regional frameworks. Finally, the European Council invited the Commission to submit a proposal to the Council by spring 2009 (Brussels European Council 2008b:19).

However, the armed conflict between Georgia and Russia in August 2008 led the Extraordinary European Council on September 1st to declare that “the European Union considers that it is more necessary than ever to support regional cooperation and step up its relations with its eastern neighbours” (Extraordinary European Council 2008:3). Thus, it invited the Commission to submit its proposal earlier than planned (by December 2008). In the same vein, the European Council of October

¹²³ <http://www.euractiv.com/central-europe/poland-sweden-defend-eastern-uni-news-219864>; <http://euobserver.com/foreign/26211>, <http://euobserver.com/foreign/26194>

2008 stated that the EU is determined “to continue supporting its eastern neighbours in their efforts to achieve economic modernisation and democratisation” (Brussels European Council 2008c:9).

6.5.1 The Commission’s Communication: ‘The Eastern Partnership’

Following the request from the European Council in September, On December 3rd 2008 the Commission presented its Communication on the EaP (COM 823 final, 2008). According to the Communication, the EaP should go further than the ENP in intensifying EU relations with the Eastern neighbourhood while its guiding principles would be differentiation (i.e. taking into account the ambitions and capacities of each partner), conditionality (i.e. upgrading relations in return for reform implementation), and joint-ownership (i.e. both the EU and the partners have to be committed to the process). Referring to EU membership, the Communication left the accession question open by stating that relations with partners will be “without prejudice to individual countries’ aspirations for their future relationship with the EU” (Ibid:2).

The EaP would consist of bilateral as well as multilateral tracks. The bilateral track would be based on upgrading the PCAs to new agreements, namely Association Agreements. This upgrade is conditional as partners will be able to negotiate a new agreement only once they show their commitment and ability to implement reforms. The future agreements would aim to establish DCFTAs and as a long-term goal, the creation of a network of such agreements between partners could lead eventually to the establishment of a Neighbourhood Economic Community. Furthermore, mobility was recognised as a key policy field and the Commission recommended that partners should be offered ‘Mobility and Security’ pacts which “include both the mobility aspect and the conditions required to ensure the secure environment” (Ibid:6). Cooperation in this field would be progressive and might even include opening of the EU labour market to partners’ citizens. Finally, two other policy areas which,

according to the Commission, should be included in the bilateral track are energy security and the supporting of economic and social development.

As for the multilateral track, it aims to “foster links among the partners themselves and will be a natural forum for discussion on further developments of the EaP” (Ibid:9). The Commission suggested that it will be organised at four levels: (a) meetings between EaP Heads of State to be held biennially; (b) annual meetings of Ministers of Foreign Affairs. The Foreign Ministers will review progress as well as be responsible to provide policy guidance; (c) four thematic platforms are to be established: (1) democracy, good governance and stability; (2) economic integration and convergence with EU policies; (3) energy security; and (4) contacts between people. Meetings will be held twice a year at the level of Senior Officials who will report to the annual Foreign Ministers meeting. At this level, the Commission will be in charge for preparing the meetings’ agenda, will chair the meetings while working in close cooperation with the partners and EU Presidency; and (d) panels will be created to assist the work of the thematic platforms in specific matters.

Referring to financial resources, the Commission declared that “substantially increased financial resources are required to achieve the objectives set out in this proposal” (Ibid:14). As such, the Commission proposed to devote for the EaP 600€ million for 2009-2013. 250€ million is originated from the existing ENPI budget for the regional program for the Eastern neighbourhood which will be reprogrammed for the EaP use while 350€ are fresh funds. In the context of monitoring and evaluation, the Commission stated that it would be responsible for monitoring progress on all levels: (a) input – financial flows; (b) activities/output – projects and programmes implementation; and (c) progress/outcome – monitoring results and impact. Finally, the Commission recommended that the EaP be launched at a Summit of Heads of State in spring 2009.

6.5.2 The Eastern Partnership – endorsement

Similar to the reaction to the Polish-Swedish proposal, there is no explicit evidence to suggest that other member states were against the creation of the initiative following the Commission's Communication. Still, some concerns were raised by the member states regarding (a) the possibility that the EaP would be seen by partners as a stepping stone to EU membership (Nash 2009), (b) the generous offer of the Commission to partners in relation to mobility (Wodka 2010; Wojna 2009), and (c) the effect of the EaP on EU's relations with Russia (Wojna 2009). The bone of contention, however, was the allocation of funds. Indeed, following the establishment of the UfM, South-oriented members such as France, Italy and Spain were in no position to oppose the EaP, yet, the additional allocation of 350€ million to the EaP was seen by some members states as shifting EU's resources towards the East (Schäffer & Tolksdorf 2009; Hillion & Mayhew 2009). Thus, a demand was raised to provide a proportional increase in funds to the Southern neighbourhood (Wojna 2009). As for the Commission, it was in support of the establishment of a new initiative in the Eastern neighbourhood as long as it constituted an Eastern dimension to the ENP and did not confront the 'elephant in the room', i.e. the question of enlargement. Also, it is worthwhile to mention that, in comparison to the UfM, the Commission was involved in the EaP from the very beginning following the request of Poland and Sweden (Interviews B, D, E, I, K, M, EU; Interviews F, N, MS; Balfour 2011).

Against this background, shortly after the Commission issued its Communication, the European Council welcomed the Commission's proposal and instructed the Council to take note of the Communication with the objective of adopting the policy at its meeting in March 2009. Moreover, the European Council stated that the incoming Czech Presidency would organise a Summit to launch the EaP (Brussels European Council 2008d:10).

Subsequently, on March 19th 2009, the European Council welcomed the establishment of the EaP with the aim of launching the initiative in a Summit scheduled to May 7th 2009. Also, it reaffirmed the EU's commitment to strengthening its bilateral and multilateral cooperation with the EaP partners (Brussels European Council 2009a:11-2). Finally, the European Council endorsed most elements which were proposed by the Commission, e.g. the geographical scope, the bilateral and multilateral tracks, the institutional structure, the relationship to existing frameworks, the guiding principles and the financial allocation. It is worth noting that the European Council somewhat downgraded the Commission's proposal. For example, it did not mention the Neighbourhood Economic Community as a long-term objective and provided a rather cautious statement about the future development in the area of mobility and visa facilitation (Ibid:19-21).

The EaP was officially launched in the Prague Summit on May 7th 2009. In a Joint Declaration, it stated that "the Eastern Partnership is launched as a common endeavour of the Member States of the European Union and their Eastern European Partners" (Prague Declaration 2009:5). For the most part, the Joint Declaration repeated the European Council's Declaration of March 2009. In other words, the Joint Declaration confirmed the main aspects of the EaP which were proposed by the Commission and at the same time downgrading the ambitious and long-term objectives such as opening EU's markets to labour force from EaP partners. Finally, following the Prague Summit, the European Council on June 18th welcomed the launch of the EaP and called "upon the Commission and incoming Presidencies to continue their work in line with the Joint Declaration of the Prague Summit" (Brussels European Council 2009b:15).

Summing up, it seems that in comparison to the UfM, the EaP had not only a smooth start but also has a brighter future. True, in the ENP/EaP literature one could find numerous points of criticism and most of them are quite similar to the ones the ENP

is facing - insufficient resources for the implementation of comprehensive reforms, unattractive incentives to encourage progress, demands do not match the capacity of partners; to name a few (Michalski 2009; Grajauskas & Gira 2009; Schäffer & Tolksdorf 2009; Boobstra & Shapovalova 2010; Kochenov 2011). Still, the EaP could also be viewed as a positive and somewhat promising development in EU's relations with its neighbourhood. Not only that due to the creation of the EaP, the balance between East and South within the EU was restored, but also the EaP partners were finally provided with a multilateral framework which has been missing, in comparison to the well-established (although not very successful) multilateral framework of the EMP for the Southern neighbourhood. Finally, despite the fact that the East-South balance was re-established, the EaP (and to some extent the UfM) is viewed as positive sign from the EU as it is finally started to differentiate its frameworks between East and South and to formulate policies according to the needs and ambitions of partners (Hillion & Mayhew 2009; Wodka 2010; Grajauskas & Gira 2009).

6.5.3 The Eastern Partnership – PA perspective

Examining the development of the EaP using PA lens, could it be regarded as another case of principal subversion? In fact, there is strong evidence to support the fact that the Polish-Swedish proposal and its development until the official launch of the EaP do not match Thompson's (2007) definition of principal subversion.

First, in the context of the East-South debate within the EU, the EaP actually followed the EU's custom of maintaining the balance between East and South. Moreover, the original proposal, in comparison to the UfM, included all member states from the very beginning as well as designed to be integrated into the ENP framework rather than replacing it. Thus, neither principal (Poland and Sweden) excluded other principals or the agent from participating in the new project nor did they disregard existing EU policies in the region. Also, it is disputed whether we

could consider Sweden and Poland as powerful actors in the EU, especially in comparison to Germany or France. In fact, the armed conflict between Russia and Georgia certainly helped to highlight the need to intensify relations with the Eastern neighbourhood and accelerated the launch of the EaP. Also, EU Officials question whether the Polish-Swedish project would have come into being without the war: “The war with Georgia was essential to the creation of the EaP, without it, it would have been just a paper by the Poles and the Swedes about a new initiative towards the East” (Interview M, EU, see also Interviews J, Q, EU).

Second, the original proposal and the final design of the EaP did not contradict the principles established in the ENP. As such, positive conditionality, differentiation and joint-ownership are still present in the EaP framework. Furthermore, even if the initiators of the EaP were in favour of offering EU membership to some of the EaP partners (especially Ukraine), the proposal was very careful in engaging with this sensitive matter and left the membership question, just like in the ENP, rather open-ended.

Third, both principals worked in collaboration with the agent in order to make the EaP suitable to the needs of the Eastern partners, in the words of an EU Official: “the EaP works much better than the UfM cause from the very beginning the Poles and Swedes asked our help in formulating the policy and we advised them what will work and what won't, what will be ok with other member states and what not” (Interview M, EU). By the same token, one EU official recalled that the Commission played “a role of the voice of reason, letting member states know what can be done and what not, what are the financial constraints, etc.” (Interview F, EU). In addition, the Commission also helped to push forward the EaP by bringing all principals on board, as shown in Ferrero-Waldner’s statement, shortly before the European Council meeting in March 2008: “All that the Commission is proposing to Member States...is in the interests of our citizens” and “I will make every effort to carry along

all other EU Member States” (Ferrero-Waldner 2009:2). As such, instead of working against the agent, the principals were asking for the agent’s help. In response, the Commission fulfilled many of the traditional functions of an agent, i.e. providing its expertise and know-how or acting as a mediator between principals (Thatcher & Sweet 2002; Pollack 2003; Kassim & Menon 2003).

Fourth, rather than hindering the work of the agent, the EaP, in fact, granted the Commission the opportunity to expand its powers. For example, under the EaP framework, the Commission is responsible for monitoring and evaluation at all levels, prepares the agenda for the meetings and chairs them. Thus, the Commission is now playing a major role in the Eastern neighbourhood not only on a bilateral (ENP) level but also on a multilateral one (EaP). Another example is the Commission’s statement that “the implementation of the EaP will also necessitate the allocation of adequate human resources within the relevant Commission services” (COM 823 final, 2008:15). Therefore, in this context, the Commission could be viewed as an opportunistic agent and a competence maximiser (e.g. Cram 1994; Garrett & Tsebelis 1996; Pollack 2003).

The EaP also provided the Commission with the opportunity to push forward some measures that it previously advocated. For instance, in the EaP Communication, the Commission stated that the EaP’s objective is to “offer the maximum possible” (COM 823 final, 2008:3); a statement which sounds much like the offer made by President Prodi already in 2002 (Prodi 2002b:7) and further elaborated in the Wider Europe Communication (COM 104 final, 2003). Also, the EaP Communication suggested that as a long term objective, the partners could establish a NEC, which is based on the EEA. This proposal, in fact, was put forward already in 2003 in the Wider Europe paper as well as in the Commission’s non-paper in 2007 (European Commission non-paper 2007a). Similar to earlier Communications and non-papers (e.g. COM 726 final, 2006; COM 774 final, 2007; European Commission non-paper

2007d), and also in its EaP Communication, the Commission promoted strengthening cooperation with partners in the area of mobility and visa facilitation. Finally, similar to the Commission's calls to its principals to commit themselves to the ENP (COM 726 final, 2006; COM 774 final, 2007), as in the case of the EaP, the Commission stressed that "it is important that this partnership should be pursued with the full political engagement of EU Member States" (COM 823 final, 2008:3).

However, looking at the European Council conclusions (Brussels European Council 2009a) as well as the Prague Joint Declaration (Prague Declaration 2009), it seems once again that the principals poured cold water on the agent's proposal. In other words, although the European Council endorsed most of the key aspects of the EaP, as proposed by the Commission, it also reduced the attractiveness of EU's offer to partners; especially in the area of economic integration and mobility. Moreover, despite the fact that EaP did not attract much opposition from the principals' side and they eventually endorsed the initiative, scholars draw attention to the poor representation of member states' Heads of State in the Prague Summit¹²⁴ as a signal of the limited will of some EU members to engage with the policy (Wodka 2010; Grajauskas & Gira 2009).

Summing up this section, I argue that the EaP does not aim to obstruct the work of the Commission or to decrease its powers. Quite the contrary, as the agent was involved all along, providing technical support and mediating between principals. Furthermore, with the EaP, the agent increased its powers in the Eastern neighbourhood as it is – similar to its role in the ENP – the main actor in the implementation process. Nevertheless, we could identify some elements of control from the principals' side as their response to the EaP Communication was to

¹²⁴ Austria, Cyprus, Italy, France, Lithuania, Luxemburg, Malta, Portugal, Spain and the UK did not send their Head of State to the Summit.

downgrade the ambitious long-term goals to a level which would be acceptable to all principals.

6.6 Analysing PA dynamics – ENP implementation stage

Shortly before the EAP launch at the Prague Summit, on April 23rd 2009, the Commission delivered its progress reports concerning the ENP implementation in 2008 (COM 188/3, 2009; SEC 522/2, 2009).

Similar to the Commission's reports of April 2008, the Commission provided a relatively mixed picture of the progress made in the ENP partners. Despite some progress related to policy areas such as trade, energy, transport as well as multilateral developments (UfM and EaP), poor results were observed in numerous policy areas, particularly in regards to social and political reforms. Taking into account the fact that in 2008 partners had to face regional (the Russian-Georgian and the Israeli-Palestinian conflicts) and global (the financial crisis) crises, the Commission acknowledged that "2008 was a difficult year for implementation of the European Neighbourhood Policy" (COM 188/3, 2009:2). However, it is worth noting that the Commission was even more critical on the pace of progress in comparison to its previous annual progress reports on the ENP.

Subsequent to the Commission's progress reports, on April 27th 2009, the GAERC held a debate on the ENP and concluded that "the Council took note of the presentation by commissioner Benita Ferrero-Waldner of a communication from the Commission on implementation of the EU's European neighbourhood policy (ENP) in 2008 and ENP country-specific and sectoral progress reports" (GAERC 2009:6).

To a great extent, this statement by the Council summarised the member states' general attitude towards the ENP and the Commission. Put differently, the Commission submits various kinds of Communications (mid-term reviews, non-papers or progress reports), gives presentations and tries to put political pressure on the member states to become more committed to the ENP. However, as we have seen in this chapter, except for voicing their commitment to the ENP and highlighting its significance in the GAERC and European Council conclusions, the member states are still not willing to open their markets, borders and pockets.

Subsequently, both the agent and its principals admit that the political pressure does not have any effect whatsoever. For example, one EU Official explained that “basically, the member states’ response was a polite 'thank you' but in reality they are still reluctant to cooperate” (Interview J, EU) while a national diplomat argued that “the Commission can't force member states to do things but what happens is that we endorse the Communication but not more...better to endorse than not” (Interview E, MS, see also Interviews C, D, G, MS).

Furthermore, several interviewees (especially from the principals’ side) highlighted that the political pressure might be, in fact, counterproductive since the agent creates false expectations, as one national representative explained: “There are some issues that we can't agree upon and the Commission needs to understand it. They can't promise things that won't pass” (Interview H, MS, see also Interview J, MS). By the same token, rather than viewing the Commission's technocratic characteristics as an advantage (following PA assumptions that principals delegate competences to an agent due to its technical expertise and neutral behaviour), interestingly enough, some respondents conceive the technocratic behaviour of the Commission as problematic. The argument is that although the Commission might have more information than the member states about the situation on the ground (i.e. within ENP countries) and more expertise, it seems that, at times, the Commission is “a bit

detached from reality" (Interview G, MS, see also Interview O, EU)) as well as neglecting the interests of the member states (Interview E, MS). In other words, once the ENP was launched and its objectives were agreed, the Commission focused solely on the things that have to be done in the neighbourhood without considering the consequences for the member states (Interview O, EU). The technocratic nature of the ENP, as a Commission-led initiative, is also captured by ENP analysts (e.g. Harasimowicz 2006, 2007; Duleba et al. 2008; Grant 2011; Thépaut 2011, Emerson 2011). Harasimowicz, for instance, argues that "the ENP, which is a masterpiece of programming, lacks strategic context and solid political backing" (2006:339). On the one hand, some argue that the ENP, as a bureaucratic-driven (rather than political-driven) policy allows the ENP partners to resist change while exploiting the Commission's lack of diplomatic skills (Grant 2011; Thépaut 2011). On the other, Emerson (2011), for example, describes the Commission as a 'robotic bureaucratic bulldozer' (Ibid:4) and maintains that the Commission's strict application of rules and procedures makes it harder for the ENP partners to implement the costly reforms.

This discussion leads us to our three research hypotheses – how can we view the interaction between the Commission and the EU member states during the ENP implementation stage and the Commission's influence on the policy?

6.6.1 H I: Information asymmetries and uncertainty

Inspecting the empirical data on the ENP implementation stage, it can be concluded that the Commission could not maintain its influence on the ENP despite some (theoretically) favourable conditions.

Essentially, at the implementation stage many of the ENP's vague ideas (e.g. a stake in the internal market) needed to be realised in a more concrete manner.

Nevertheless, once the ENP started to take shape, the member states were still in an environment of uncertainty as the answers to various questions (many of them were present already) remained unclear: How effective is the ENP? Are the incentives offered by the ENP attractive enough to encourage reforms in the partner countries? Is a single policy framework suitable for engaging with both the Southern and Eastern neighbourhoods? What will be the ENP's *finalité*?

As for informational advantages, it could be said that similar to the finalisation stage, the member states decrease the informational asymmetries favouring the Commission as all control mechanisms (including those related to the ENPI) were in place, allowing the member states to have quite a broad access to information. Then again, in comparison to the member states, the Commission still had more information on the ENP implementation process as it is the actor who monitors and evaluates progress, manages funds, and is responsible for writing progress and review papers without much involvement of the member states. Moreover, whether it is under the framework of the ENP, UfM or EaP, the Commission, building on its enlargement experience and previous engagements with the neighbourhood still has more technical expertise than the member states in regard to implementing reforms in the partner countries. Additionally, as previously noted, the Commission had much clearer ideas of how the transformation process of the neighbours should be pursued, which kind of instruments could be utilised, the areas that should be strengthened, and/or how the policy could be developed in the short, medium and long-terms. This favourable position, despite its lack of powers to force member states to comply, should have granted the Commission greater influence as an informal agenda-setter.

However, contrary to Pollack who posits that the role of information “can scarcely be overstated” (1997:108), I follow Kassim and Menon’s standpoint that “knowledge does not necessarily translate into power. It is not sufficient for an actor merely to

possess information; liberty and a range of institutional capacities are also necessary” (2010:26-7, see also Dijkstra 2010). In other words, whereas its informational advantage and technical expertise provided the Commission with the ability to influence the design of the policy during the ENP formulation and finalisation stages, these capacities did not play much of a role during the implementation phase as the Commission did not possess the legal competences to force the member states to commit themselves (politically and financially) to the implementation of the policy.

Referring to the UfM, the Commission played only a minor role as it was excluded from the negotiation process and was called to submit its proposal only once the MEMBER STATES reached a compromise. Although it could be said that in comparison to the member states, the Commission has acquired more expertise in technical areas such as economic reforms or institutional building, it is questionable whether the Commission enjoyed any informational advantage in the case of the UfM. Evidently, the fact that it was excluded from the discussions between EU members created a situation where it was not able to produce a clear and comprehensive proposal.

In the case of the EaP, the Commission was indeed able to rely on its informational advantage and technical expertise to secure itself a prominent role in the new initiative. Moreover, the Commission produced a proposal which was in line with its preferences and included elements which were previously suggested by it. Notwithstanding the aforesaid, the influence of the Commission in this case cannot be compared to the level of influence it was able to achieve during the ENP formulation stage. After all, it is also important to bear in mind that – to a large extent – the initiators of the EaP, Poland and Sweden, designated such a role to the Commission from the very beginning and the Commission needed to work on the technicalities of the policy rather than creating a policy from scratch or acting as a mediator between the MEMBER STATES.

Therefore, the empirical data on the ENP implementation stage falsifies the first hypothesis as it was evident that in a situation where principals face uncertainty and asymmetrical information favouring the agent, the agent does not necessarily enjoy more influence over the course of the policy.

6.6.2 H II: Transaction-costs of negotiating and waiting

According to the second hypothesis, the influence of the Commission will increase as the transaction-costs of alternative policies and waiting are both high. In this context, Pollack maintains that “a supranational entrepreneur may influence policy outcomes both by constructing focal points for bargaining among member states impatient to reach agreement and by acting as a broker at the Council bargaining table” (1997:126-7).

During the ENP implementation stage, the Commission has been trying to play this role, as illustrated by a senior EU Official: “The Commission is trying to be the mayonnaise in the sandwich. Trying to act as the mediator and instead of having low level compromises between the MEMBER STATES, trying to up the stakes” (Interview J, EU). Nevertheless, the interviewee admitted that “many times the Commission is isolated” (Ibid). This situation stands in contradiction to previous policy stages in which the Commission managed to find the ‘right’ focal points for the ENP to be endorsed. In other words, despite the member states downgrading the Commission’s ambitious proposals in the past, the Commission was able to find the way to have all member states on board. For instance, the Commission combined East and South, avoided the creation of new institutions and far-reaching contractual links as well as dodged sensitive topics like enlargement.

However, during the implementation stage, the Commission, in its various Communications, was not able to provide the focal points which would bring all

member states to push the ENP forwards. Since the Commission's suggestions proved to be too costly for EU members to implement and threatened (some of) their interests and because there was no immediate need to modify the policy, especially following such a long formulation and finalisation stages; the easiest option for the member states was simply to endorse the Communications but without actually implementing the measures proposed.

In the case of the UfM, the Commission was not even in a position to provide any focal points or to act as a mediator as it was not a part of the negotiations. In fact, it seems that for the member states (at least in the early stages of the negotiations), it was more beneficial to exclude the Commission from the process as they were engaging with closing side-deals between themselves. In this respect, the negotiation between France and Poland/Sweden is a case in point.

In comparison to the ENP and the UfM, the Commission's ability to influence was rather different with the EaP. In this case, the Commission became involved after an invitation by the Poles and the Swedes to help them design a policy for the Eastern neighbourhood. The Commission did not face significant problems building upon the Polish-Swedish proposal and 'selling' it to the member states as the proposal did not include any controversial issues (e.g. no EU membership as long-term goal); additionally, the member states had already agreed on establishing a policy for the Southern neighbourhood. What is more, it could be argued that timing (or the cost of waiting) played a more prominent role in the EaP. The armed conflict between Georgia and Russia attracted EU's attention towards the Eastern neighbourhood and the European Councils of September and October 2008 (Extraordinary European Council 2008; Brussels European Council 2008c) emphasised the need to strengthen relations with the East at the earliest opportunity. Moreover, the European Council instructed the Commission to submit its proposal on the EaP earlier than originally planned. Thereafter, it is evident that most of the aspects proposed by the

Commission in its Communication (COM 823 final, 2008) were accepted by the member states and the initiative, which situated the Commission as a key player in the new multilateral framework in the East, was launched with minor amendments.

Against this background, it could be concluded that the empirical data verifies the second hypothesis. During the implementation stage, the Commission was not able to become as influential as it was during previous stages since it did not provide the member states with the focal points which would attract member states' support. Without any time constraints and viewing the Commission's proposals too costly to pursue, the member states preferred the status quo. Alternatively, in the case of the EaP, the Commission managed to be marginally more influential, not only because of Poland and Sweden, but also due to the fact that its proposal did not touch upon any sensitive topics as well as due to time pressure to launch a policy towards the East.

6.6.3 H III: Stages of the policy process

The third research hypothesis predicts that the influence of the Commission will be greater in earlier than more advanced stages of the policy. This hypothesis is confirmed as the empirical data shows that the Commission's influence kept decreasing. Indeed, the Commission is the key actor in the implementation stage in the Eastern and Southern neighbourhoods on both bilateral and multilateral levels. However, its discretion did not translate into power to cope with the principal problem.

Referring to principal shirking, the Commission encountered major difficulties in implementing the ENP's objectives without the backing of the member states. Examining the ENP implementation stage, it is evident that the agent's attempt to get its principals 'on board' was unsuccessful as the principals did not implement the

necessary steps that were suggested by the agent in its first mid-term report of December 2006 (COM 726 final, 2006). Moreover, the findings show that from finding the lowest common denominator, the Commission's approach changed once the policy was endorsed to a more 'technocratic' mode of implementation, i.e. trying to point out the best ways for the ENP's objectives to be achieved rather than focusing on the interests and sensitivities of each and every member state (Interview O, EU; Interviews E, H, MS).

Unable to legally force the compliance of its masters, the agent had to rely again on its communications to put political pressure on its principals. In so doing and similar to the finalisation stage, the agent used again the strategy of 'packaging' in order to convince the principals to act. Moreover, it might be the case that the agent decided to abandon the strategy of co-optive justification (used in the finalisation stage, see 5.7.2) as it believed that the rational (rather than normative) arguments would be more effective. Still, despite several efforts to persuade its principals to invest political and financial capital into the ENP, the principals did not show any sign of increasing their commitment (especially in the area of market access and mobility) to the ENP.

Additionally, as the policy developed, individual principals started to be more active in their attempts to deviate from the ENP by creating new initiatives which correspond to their specific interests. As we have seen, the Mediterranean Union is a clear example of this case of principal subversion since it aimed to bypass the agent by creating an initiative outside of the EU structures. Indeed, the final design of the UfM included all member states and the Commission and was integrated into existing frameworks. Yet, it is important to remember that other principals (Germany, Italy and Spain), rather than the agent, were the reason why the French backed down. In fact, the Commission, in comparison to the ENP formulation stage,

was not even recognised as an actor, and thus did not play any role in this period of intergovernmental bargaining between the principals.

6.7 Summary

Although the ENP could be regarded as a rather young policy, it has been developing at a rapid pace. As the policy kept evolving, so the relationship between the principals and the agent changed its course. Already during the finalisation stage and before the ENPI regulation entered into force, I identified a situation in which the Commission, as an obedient agent, had to cope with the ‘principal problem’. In its mid-term report of 2006, the Commission managed to handle the German case of principal subversion as well as highlighted the problem of principal shirking.

In examining the development of the policy since 2007, it seems that the agent’s attempts to solve the principal shirking problem were ineffective as shown not only in the Commission’s review of 2007, but also in its various progress reports. Moreover, in comparison to the finalisation stage, the Commission was not able to muddle through another case of principal subversion and thus the member states began to develop a Southern and Eastern dimensions to the ENP.

By testing the three hypotheses against the empirical data, it is apparent that the Commission’s competences under the ENP have not changed and one could argue that they even increased with the introduction of the Eastern Partnership. However, it is also evident that the Commission’s influence over the policy (and its principals) declined quite remarkably in the implementation stage.

Based on the analysis of this chapter, we challenge the assumption of the first research hypothesis since the advantageous conditions of expertise, principals’

uncertainty, and information asymmetries did not prove to play a significant role in making the Commission more influential during the ENP implementation stage. As for the second and third research hypotheses, the empirical data appear to confirm the theoretical assumptions. Referring to the second hypothesis, the Commission's influence waned as it aimed to enforce the weak elements of the policy rather than looking for focal points which are based on the lowest common denominator. Moreover, since the member states viewed the Commission's proposals too costly and were not constrained by time-pressure to adjust and strengthen the policy, they preferred only to endorse rather than to implement the measures suggested by the Commission. The assumption of the third hypothesis was also verified as we have seen the influence level of the Commission changing. While the Commission enjoyed its 'golden age' of influence during the formulation stage and managed to situate itself as a key player under the ENP framework, by the end of the finalisation stage and undoubtedly through the implementation stage, the Commission's powers to impact the course of the policy were greatly diminished.

Chapter 7: Conclusions

“Foreign policy was about more than photo opportunities, and that the Commission was always likely to be treated like a maid, expected to serve the meal and then clear up the dirty dishes when the guests had departed” (Patten 2005:157)

“Competition between the Commission and the Council for the ultimate control of European foreign policy is here to stay” (Allen 1998:58)

The European Neighbourhood Policy is still high on the agenda in Brussels as well as in European capitals. Arguably, in comparison to the early days of the ENP, the neighbourhood has become even more prominent subject of discussion following the Arab Spring in the Southern neighbourhood and recent troublesome events in Ukraine in the Eastern neighbourhood. Thus, there is little doubt that the ENP will continue to attract scholars from various disciplines who aim to provide policy or theory-oriented analysis to current developments.

However, as much as there is a need for academic research concentrating on the present, we should not ignore the historical development of the ENP. Put differently, there are some important questions that have been overlooked by the existing ENP scholarship. How did the European Commission manage to situate itself as the main (and almost the sole) designer of the ENP during the initial stages of the policy? Was the Commission able to retain its key position once the policy was launched? To what extent did the Commission and the EU Member States cooperate during the development of the ENP? And how could we explain the development (concerning the scope as well as institutional structure) of the ENP following its launch? The unifying theme of those questions points to the gap in the literature concerning the relationship between the European Commission and the EU Member States and how the interaction between them affected the development of the Neighbourhood Policy.

I argued that neither policy nor theory-oriented studies have paid much attention to the relationship between the Commission and the EU member states. Instead, more often than not, the objective of those studies was to highlight the flaws of the policy and at times also to offer possible solutions (e.g. Comelli et al. 2006; Emerson et al. 2007; Bechev & Nicolaidis 2008; Missiroli 2008).

Against such a background, the thesis set out to analyse this relationship and how it evolved during the development of the ENP. More precisely, it aimed to examine the influence the European Commission has had on the policy's scope and institutional structure. As such, the study sought to answer the following research question: ***What influence did the European Commission have on the emergence and development of the ENP?***

In addition, various scholars posit that although the ENP cannot be considered an underdeveloped field of research and represents a fascinating case study for a theory-oriented research, there have been only a few attempts by researchers to provide theoretical explanations of their empirical findings (Kratochvíl and Tulmets 2010; Delcour and Tulmets 2007; Kelly 2006). Nonetheless, I argued that while existing theoretical accounts of the ENP focus on different aspects related to the ENP, for example the ENP as a polity (e.g. Lavenex 2008) or the realist/normative way the EU acts in the international arena (Hyde-Price 2008), they do not offer a concrete actor-based theoretical framework that allows us to capture this interaction between the Commission, on a supranational level, and the member states, on an intergovernmental level.

Alternatively, the merits of institutional approaches are that they enable us to move beyond the theoretical battle between neo-functionalism and intergovernmentalism

as they provide the theoretical toolkit to explain variation in supranational autonomy (Tallberg 2000; Pollack 1997).

Thus, the thesis drew on the principal-agent approach and rational choice institutionalism and conceptualised the relationship between the EU Member States and the European Commission as a PA relationship where the member states act as collective principals that delegate competences to the Commission, which acts as an agent.

Moreover, the thesis followed the initial PA starting point that perceives the agent as an opportunistic actor who tries to pursue its own interests (Kiewiet & McCubbins 1991). In the specific case of the Commission, it also followed the standpoint that the Commission could be seen as a competence maximiser and an integrationist agent (Cram 1994; Pollack 2003; Garrett & Tsebelis 1996; Hawkins & Jacoby 2008; Klein 2010).

Applying PA to the ENP case, I stated that there is a need to broaden the scope of the analysis of the act of delegation as to include 'softer' forms of delegation – the delegation of non-binding acts (following Pollack 2003; de la Porte 2008; Klein 2010). Furthermore, I maintained that in order to fully understand the influence of the Commission on the ENP, it might not be sufficient just to measure discretion but we also have to look at the agency behaviour and the strategies the agent uses in order to exert influence.

Thus, the thesis mainly concentrated on the analysis of the Commission's influence as an informal agenda-setter that possesses the ability "to set the substantive agenda of an organization, not through its formal powers but through its ability to define

issues and present proposals that can rally consensus among the final decision makers” (Pollack 1997:121). In addition, as PA relationships often keep changing and evolving over time (Walterman & Meier 1998; Tallberg 2002; de la Porte 2008), I examined the Commission's influence on the policy during the course of its development. In so doing, I differentiated between three key stages of the policy evolution, namely the formulation stage (Jan. 2002 – Apr. 2004), finalisation stage (May 2004 – Dec. 2006) and implementation stage (Jan. 2007 – Dec. 2009).

In light of the above and deducing from the work of Pollack (2003), Garrett and Weingast (1993), Kingdon (1995) and de la Porte (2008), I conducted an empirical study which sought to test the following theoretical hypotheses:

H I: The influence of the Commission will be greater in a situation where the member states face uncertainty and information asymmetries favouring the Commission

H II: The influence of the Commission will be greater in a situation where the transaction-costs of alternative policies and waiting are high

H III: The influence of the Commission will be greater in the initial stages of the policy rather than in more advanced stages of the policy development

Operationalising the research question and the above theoretical hypotheses, the thesis acknowledged the fact that it could be challenged for its focus on agency behaviour. After all, it was noted that "faced with these methodological obstacles, an increasing number of scholars have opted to concentrate their empirical analysis not on the behaviour of the agent but on the delegation stage" (Pollack 2003:60). Furthermore, some questions may be raised regarding the validity of the research as it used qualitative rather than quantitative measurements.

In response, I contended (following Pollack 2003) that a quantitative approach, despite its usefulness in measuring agency discretion, might be less suitable for the analysis of agency behaviour and agency (informal) influence. In addition, I rejected (following Dey 1993 and Schmitter 2008) the perspective that in comparison to quantitative research, findings generated by qualitative research are too subjective and thus less reliable. At the end of the day, whether we apply qualitative or quantitative approach, there is no such thing as perfectly-designed research (King et al. 1994), but we still need to ensure that matters related to validity and reliability are taken into account (Dey 1993; Della Porta & Keating 2008).

First, in order to reduce the risk of reaching ill-founded conclusions due to observational equivalence common to the analysis of agency behaviour (Pollack 2003; Schmidt 2000; Damro 2007; Dür & Elsig 2011), the thesis (drawing on Pollack 2003) engaged in an in-depth qualitative analysis of a case study while relying on process-tracing as its research strategy and elite interviews (following Damro 2007) as a key method for data collection. Second, with the aim of increasing the validity of the research findings, the interview data were gathered from representatives of both principals and agents' (following Delreux & Kerremans 2010). What is more, the study used triangulation of data sources – primary sources, secondary literature and elite interviews – as a way to increase the validity of its findings (following Mathison 1988 and Schmitter 2008).

The remainder of this concluding chapter is structured as follows. The first part discusses the thesis' empirical findings and shows how they help us to close the gaps in the ENP literature. Thereafter, I examine the policy and theoretical implications of the findings. The second part begins with the acknowledgment of the study's limitations and provides a brief overview of the various possibilities for further research. Finally, the last part of the chapter (and thesis) offers some final remarks.

7.1 Research findings – closing the gaps

How has a process-tracing investigation of the ENP contributed to our knowledge?

Overall, although the ENP has been examined numerous times, the empirical findings of the thesis provide interesting insights on the development of the ENP as they strengthened previous arguments found in the literature but more importantly shed new light on the ENP and on the interaction between the member states and the Commission during its development.

Chapters four to six in this study covered the empirical analysis and offered an in-depth investigation of the Commission's influence on the ENP during the policy's formulation, finalisation and implementation stages. In these chapters, the three research hypotheses were tested while the findings were discussed within each individual chapter (see. 4.6, 5.8 and 6.6). In the next section, the findings of all the empirical chapters are synthesised with the aim of answering the research question.

7.1.1 Empirical findings

Referring to the early days of the ENP, the analysis of the ENP formulation stage revealed a fascinating picture of the power struggles involved in the EU decision-making process and proved that there is still room for further research on the origins of the policy.

The empirical findings showed that there were various actors involved in the ENP formulation stage. Indeed, the UK (Straw 2002) and Sweden (Lindh & Pagrotsky 2002) initiated the process while other EU members (e.g. Greece, Spain, Italy, Finland and future member states like Poland and Lithuania) provided input and tried to shape the policy following their geopolitical interests. Nevertheless, the ENP formulation stage was under no circumstances intergovernmental-led as the

Commission (and to a lesser extent the HR) was very much involved in the conceptualisation of the initiative.

Regarding the geographical scope of the policy and the inclusion of the South with the (original) Eastern initiative, the findings strengthened the body of literature which maintains that the Southern Mediterranean neighbours were included in the ENP not only due to intergovernmental bargaining between East and South-oriented member states but also because the Commission strongly advocated for a broader geographical reach and, in fact, it supported the establishment of an initiative towards the whole neighbourhood even before the ENP formulation stage was initiated in January 2002 (e.g. COM 700 final, 2001; COM 154 final, 2000).

The findings here reaffirmed the argument made by scholars that the Commission promoted the inclusion of the Mediterranean neighbours in order to attract the support of all member states. Moreover, my research raised the possibility that the Commission decided to work on a global approach because it wanted to strengthen its power in the South, which had been governed until that point by the intergovernmental framework of the EMP. However, even if the ENP framework did increase the Commission's influence in the Mediterranean region, I was not able to gather enough evidence to support this claim.

As for the institutional structure of the ENP, the findings confirmed that many elements in the Commission's proposals were indeed copied from its previous accession experience. In this context, historical institutionalists like Magen (2006) and Kelly (2006) provide useful insights as to how path dependent the ENP is. Nonetheless, the Commission chose to design the ENP in such a way (e.g. using Action Plans) not only due to its enlargement know-how but also because

Commission Officials understood that proposing other forms of institutional ties would not be acceptable to the member states.

In addition, I am in agreement with the strand of the literature which posits that the Commission was able to situate itself as a key actor in the ENP formulation stage. Nonetheless, the findings here contradict previous assumptions that the Commission's strong influence was due to lack of interest from the member states' side. In fact, the ENP was high on the Council's agenda for most of the ENP formulation stage while various EU members circulated non-papers and reports on the ENP¹²⁵). What is more, once the member states felt that the Commission was out of line (as in the case of the AP negotiations), they acted in order to regain control over the policy.

Still, how was the Commission then able to exert influence on the policy? Here is where PA analysis is useful. First, the findings confirmed PA's basic assumptions of the Commission as an opportunistic, competence maximiser and integrationist agent. The Commission used the 'policy window' opened in January 2002 by the UK and Sweden to launch a grand EU strategy towards the neighbourhood (Prodi 2002a, 2002b); an idea, that was wandering the Commission's corridors years before the official beginning of the ENP formulation stage¹²⁶ (). Moreover, the analysis showed how the Commission's proposal to create a cross-pillar policy (issue-linkage strategy) and the suggested instruments and implementation procedures, as articulated in the Wider Europe Communication (COM 104 final, 2003), could expand the power of

¹²⁵ Polish non-paper, 2003; Document 9399, 2003; Document 8998, 2003; Document 8395, 2003; Document 8395, 2003.

¹²⁶ Commission Agenda 2000, 1997; Prodi 1999a, 1999b; COM 700 final, 2001; COM 620 final, 2001.

the Commission in EU foreign policy sphere in general and in the EU's neighbourhood in particular.

Second, concerning the role of the Commission as an informal agenda-setter, the findings verified the theoretical hypothesis that the Commission was able to use to its advantage the informational asymmetries (concerning both expertise and hidden-action) and the fact that the member states were working under conditions of uncertainty and time-pressure. Furthermore, in order to attract the support of all member states, the Commission not only used the combination of the Eastern and Southern neighbourhoods as a focal point but also offered to design the ENP (based on existing agreements while using the Action Plans as the main instrument) in a way that would seem flexible enough and not too problematic to approve.

Concerning the ENP finalisation stage, the empirical findings indicated that if during the formulation stage the Commission might be accused of opportunistic behavior as well as overstepping its competences, it seems that during the finalisation stage, the Commission's behavior reverted to an 'obedient agent' mode. Indeed, the member states were more involved in the discussions of the ENP and during the negotiations with partners. Still, in the final blueprint of the policy (i.e. the Strategy Paper), the Commission made the necessary amendments (from the Wider Europe paper) without consulting with the member states as it had already anticipated how far the they would agree to go. Moreover, in comparison to the formulation stage where the Commission exploited its informational advantages, in the finalisation stage, the Commission actually tried to get the member states more involved, providing information and showing commitment to ensure transparency.

The reason for the Commission's change of behavior might be the fact that it learned from its previous engagement with the member states. In other words, as the member

states reacted negatively to its ambitious proposal (i.e. the Wider Europe paper) and following the freezing of the negotiations and the establishment of *ad locum* control, the Commission understood that it had to adapt. What is more, it could be said that in previous proposals, the Commission tried to push the boundaries and see what the member states were willing to accept. In the ENP Strategy Paper (COM 373 final, 2004), however, the Commission needed the unanimous vote of the Council in order to launch the initiative. Thus, the time for experiments was over and the Commission had to incorporate national preferences into the Strategy Paper. Given that the member states had different ideas as to what the ENP should be and how it should be operated, the Commission not only found the right focal points around which EU members could converge (e.g. East + South) and avoided touching upon sensitive or institutionally-complicated topics (e.g. enlargement), but also defined the ENP in a somewhat broad and vague way so each member state could interpret the policy as it saw fit. Overall, besides the fact that the Strategy Paper was endorsed by the member states without further debate (GAERC 2004b; Brussels European Council 2004), what makes the Commission's Strategy Paper even more remarkable is that the Commission was able to keep the ENP as a cross-pillar foreign policy and itself as the central player in the implementation procedures.

Following the introduction of the ENP Strategy Paper and for most of the finalisation stage, I did not identify any significant events that might suggest a further change in course regarding the ENP or the member states-Commission relationship. This changed from July 2006 following the German attempt to establish an Eastern dimension (i.e. the 'ENP Plus') and the Commission's criticism of the member states in its first mid-term report on the ENP (COM 726 final, 2006). Since the empirical findings did not show any evidence to suggest that the agent behaved unfaithfully, I interpreted these events as a part of Thompson's (2007) 'principal problem', or to be more specific, principal subversion (ENP Plus) and the agent's response to principal shirking (Commission's mid-term report).

These findings are significant in two ways. First, since the existing ENP literature examines EU-ENP partners' relations while focusing on the partners' inability or unwillingness to reform, or analyses the EU's (i.e. the Commission) poor choices concerning the design of the ENP; my empirical findings contribute to our understanding of the ENP as they add an important aspect to the analysis – the fact that the member states, their interaction with the Commission and their reluctance to commit financially and politically had an effect on the ENP. Second, it could be argued that, to some extent, the ENP literature resembles PA literature as both of them share the same initial agency-biased standpoint against the Commission. In this context, the thesis contributes to PA literature by showing that focusing solely on opportunistic behavior by the agent and efforts by principals to control that behaviour limit our understanding of PA relationships.

As for the three research hypotheses on the Commission's level of influence as an informal agenda-setter, the findings showed that the Commission's influence on the ENP during the finalisation stage decreased in comparison to the formulation stage. On the one hand, the Commission was able (a) to find the right focal points and policy solutions which enabled it to produce a Communication (i.e. the Strategy Paper) that was endorsed by all member states; (b) to establish itself as the key actor in the ENP procedural framework; and (c) to cope with a case of 'principal subversion'.¹²⁷ On the other hand, the Commission's superior position in regards to informational asymmetries changed, to some extent, following the various control mechanisms which were made available to the member states (e.g. reporting duties). Moreover, the Commission had to amend its original proposal (COM 104 final, 2003) in order to attract the support of the member states. Finally, the last example of the decreasing influence of the Commission during the ENP finalisation stage is connected to the 'principal shirking' problem and the Commission's mid-term report

¹²⁷ Although it could be argued that the timing of the proposal and the fact that the Germans did not put extensive effort into selling the policy are more important reasons why the ENP Plus did not come into life.

(COM 726 final, 2006). As the Commission was unable to secure adequate funding for the successful implementation of the policy and because the Action Plans are only political non-binding road-maps, the Commission was in no position to enforce member states' compliance. As such, the Commission decided to use the mid-term report as a way to put political pressure on the member states as well as applying different lines of arguments (packaging and co-optive justification) with the aim of persuading them to commit, financially and politically, to the ENP.

As for the ENP implementation stage, the empirical findings showed the same tendencies regarding the Commission's decrease of influence on the ENP. Indeed, the member states endorsed the Commission's first mid-term report¹²⁸ while the Commission continued to work on more ideas as to how to improve the policy's impact.¹²⁹ Nonetheless, the analysis of the Commission's second mid-term report¹³⁰, its subsequent Communications¹³¹ as well as the member states' response¹³²; revealed that nothing much had changed. Indeed, EU member states declared their commitment on various occasions but these statements could be regarded as a matter of courtesy rather than a real commitment as the words were not backed up by actions. Attempting to cope with principals shirking, the Commission had to rely again on its Communications as a strategy to influence the member states. However, similar to their response to previous Commission's Communications on the ENP, the member states were not willing to agree on the level of integration with ENP partners (especially market access and mobility) that according to the Commission, is necessary for the successful implementation of the policy.

¹²⁸ GAERC 2007b; GAERC 2007c; Brussels European Council 2007a.

¹²⁹ European Commission non-paper 2007, 2007b, 2007c, 2007d.

¹³⁰ COM 774 final, 2007.

¹³¹ COM 164, 2008; SEC 1512/2, 2008; COM 188/3, 2009; SEC 522/2, 2009.

¹³² GAERC 2007d; Brussels European Council 2007b; GAERC 2008a; GAERC 2009.

In addition to the principal shirking problem, the Commission had to deal once again with a case of principal subversion. Yet, in comparison to its successful handling of the German 'ENP Plus', the Commission was not capable of blocking the French endeavour to create a new policy towards the South – the UfM. What is more, the empirical findings showed that at times of intergovernmental bargaining and side-deals, the Commission was pushed aside and was not recognised as an actor. In fact, it was the pressure from the member states rather than the Commission that was the reason why Sarkozy's Mediterranean Union was eventually incorporated into the EU structure. As for the significant role the Commission played in the EaP, this could be attributed mainly to Sweden and Poland who designated such a role to the Commission from the first place as they needed (in comparison to France) the Commission for its know-how and counted on its ability to sell the initiative to the rest of the member states.

Finally, testing the research hypotheses on the Commission's influence, the empirical findings verified two of the three hypotheses. First, the findings generated from the analysis of the ENP finalisation and implementation stages falsified the first hypothesis as they indicated that favourable conditions of uncertainty and informational asymmetries do not always translate into power. Thus, I am in agreement with the strand of literature (e.g. Kassim & Menon 2003; Dijkstra 2010) that criticises the overemphasis that PA scholarship attributes to information.

Second, the empirical findings verify the second hypothesis that the Commission's influence will be greater in a situation where the transaction-costs of alternative policies and waiting are both high. Referring to transaction-costs, we could see that, in comparison to the formulation stage where the Commission's suggestions were vague enough to be accepted by the member states, in later stages of the policy development the Commission was not able to sell its suggestions to the member states as its ideas (e.g. market access and visa facilitation) proved to be too costly to

them to consider. As for the costs of waiting, the Commission's influence decreased since once the ENP was launched and the Action Plans were finalised, the member states were in no hurry to modify the policy following the Commission's pleas.¹³³

Third, the thesis' findings established that the influence of the Commission on the ENP kept decreasing as the policy developed. Whilst the Commission enjoyed the greatest influence during the formulation stage of the ENP as the (almost) sole designer of the initiative, its powers to influence decreased substantially as the member states became much more active in setting the tone for the ENP. During more advanced stages of the policy development (i.e. finalisation and especially the implementation stage), the Commission started to lose its grip on the ENP as it had to deal with individual EU members that tried to shift the direction of the policy according to their own interests (principal subversion) and lack of financial and political backing from the member states' side. Indeed, the Commission eventually managed to avoid a situation of principal subversion during the finalisation stage of the policy and responded to member states' lack of commitment by publishing a very critical mid-term report. However, as shown in the analysis, not only was the Commission unable to block other attempts of principal subversion, but more importantly, the Commission strategies (political pressure, co-optive justification and packaging) to cope with the principal shirking problem did not generate any change in member states' behaviour.

7.1.2 Policy and theoretical implications

The thesis does not aspire to provide overarching conclusions on the study of the European Union or on the scholarship of EU foreign policy. Nor does it seek to undermine previous studies on the ENP. Indeed, the studies by Lavenex (2004),

¹³³ One exception is the EaP where, following the conflict between Russia and Georgia, the member states urged the Commission to submit its proposal earlier than planned.

Magen (2006), Kelly (2006), Tulmets (2006), Johansson-Nogues (2007), and Nervi (2011); are all examples of some of the seminal works that greatly contributed to our understanding of the ENP.

Instead, it aims to provide an added-value to existing ENP scholarship by underlining the importance of investigating the relationship between the member states and the Commission. The thesis maintains that studies focusing solely on the relations between the EU and the ENP partners or concentrating on the policy itself, do not seem to offer sufficient answers as to how the ENP has evolved, both in terms of scope and institutional design. As such, the thesis demonstrates how PA theory could provide an institutional-based framework and close this gap in the ENP literature.

Referring to the theoretical implications of this study, I establish the efficacy of PA in the case of the European Neighbourhood Policy. In the theoretical chapter of the thesis, I maintain that grand theories of IR and European integration as well as mid-range theories do not provide a suitable theoretical framework to answer the research question and engage with the research objectives. On the one hand, grand theories overemphasize the influence of supranational actors (e.g. neo-functionalism) or the superiority of national governments (e.g. realism and liberal-intergovernmentalism) while neglecting the possibility for both actors to interact and influence each other. On the other hand, mid-range theories and approaches (e.g. external governance) usually focus on the policy itself rather than on the actors.

Against this background, I argue that PA, as a mid-range institutional framework that focuses on hierarchical interactions, beautifully captures the power relationship between the EU member states and the European Commission. In so doing, PA analysis offers workable hypotheses that allow us to examine how both actors interact and influence each other and how this interaction affects the development of

the European Neighbourhood Policy over time. Thus, the study contributes to principal-agent literature in EU Studies by applying PA in a new and underdeveloped area of EU foreign policy as well as showing its utility in analysing the evolution of a policy.

As the study's research question was the influence of the Commission on the emergence and development of the ENP, the thesis argues that in order to answer this question, it is not sufficient to just concentrate on the act of delegation. There is also a need to investigate how the Commission uses its discretion as well as other strategies in order to exert influence. Therefore, the thesis rejects the dichotomy between the analyses of agency behaviour and agency discretion in PA literature (e.g. Pollack 2003).

Also, the specific characteristics of the delegation act in the ENP case (i.e. non-binding) provided us with the opportunity to engage with another under-researched area of PA – the analysis of 'soft delegation' (Pollack 2003; de la Porte 2008; Klein 2010). Given the non-binding nature of member states' delegation of powers to the Commission, the thesis claimed that the most suitable way to view the Commission's influence on the ENP is to concentrate on its role as an informal agenda-setter. However, since the Commission was still being delegated some powers (i.e. agenda-setting and Action Plans implementation) which are formal but non-binding to the member states, I suggest that there might be a need to broaden Pollack's (1997) basic definition of informal agenda-setting as to include also the form of 'soft delegation'.

Finally, although the study's focal point was the agent's influence on the ENP, I show that one should take PA basic assumptions on the agent with a grain of salt. In other words, the study not only aims to contribute to PA scholarship by testing PA hypotheses on the ENP case but also wishes to contribute to the very small strand of

PA literature (Sokolowski 2001; Gutner 2005; Thompson 2007) that posits that while examining PA relationships, there is a need to keep a watchful eye on both the agent and the principals.

7.2 Limitations and further research

This study has focused on the analysis of the European Commission's influence on the emergence and development of the ENP. During this investigation, the study encountered some limitations. Essentially, most of the challenges were already covered extensively in the methodological chapter (see 3.2-3.6). However, this part of the chapter aims to highlight some limitations as well as offering ideas for future research.

Indeed, PA was successful in establishing itself as a legitimate mid-range theory in IR in general and in EU Studies in particular. As recent examples, one could mention the Journal of Comparative European Politics Special Issue 'The principal-agent approach to EU Studies' (Maher, Billiet & Hodson 2009), the Journal of European Public Policy Special Issue 'The EU's foreign economic policies: a principal-agent' (Dür & Elsig 2011b), and the last general conference of the University Association for Contemporary European Studies (UACES) in Leeds in September 2013, where three panels discussing PA in EU Studies were organised. Yet, I maintain that there are various areas where there is a need for further consideration.

For example, I argue that PA scholars hardly engage in a comprehensive discussion of the operationalisation of their research in general and of their dependent and independent variables in particular. Moreover, since the focal point of PA scholarship is usually identifying and explaining variation in discretion, scholars often rely on existing methodological measurements (based on quantitative approaches). However, I argued that qualitative approach (rather than quantitative)

might be better suited to the examination of agency behaviour. Consequently, in its research design, the thesis was based chiefly on the work of Pollack (2003) who, to a great extent, was the only point of reference that provided guidance on how to approach PA analysis in qualitative terms. This is not to say that Pollack's approach is inadequate but rather that there is much to be done concerning the operationalisation of PA assumptions, especially in qualitative terms.¹³⁴ Thus, PA scholars should continue to engage with the methodological challenges related to PA analysis while finding other innovative ways for measuring the influence or impact of both principals and agent on political phenomena.

Additionally, taking into account the recent developments in PA scholarship and its current level of complexity, it is rather bewildering how few attempts have been made to engage with the biased application of the theory, as PA scholars "almost invariably assume that it is the agent that is opportunistic, even to the point of cheating, rather than the principal" (Perrow 1986:14). Indeed, in comparison to studies that examine questions of discretion and control, there are fewer opportunities to conduct research on the principal problem. Moreover, there is a chance that only at more advanced stages of the analysis, would it be revealed that there is a principal problem. That, in fact, was the case in this thesis and as such, it was not able to offer a more comprehensive discussion on the topic.

Nonetheless, given that the area was covered by just a few studies and is seriously underdeveloped, there is still plenty of room for further research. For example, Thompson argues that there is a higher probability to face the principal problem when we examine collective principals in IR in general and in security institutions in particular (2007:10-1) while Sokolowski points out that informational asymmetries

¹³⁴ Although I would argue that the quantitative approach to operationalise some variables is far from being satisfactory (uncertainty is a case in point).

favouring the agent could be exploited by the principals as “a lack of knowledge is power, and ignorance-feigned or genuine-can be an asset, or even a weapon” (2001:546). Thus, PA ‘traditional’ independent variables such as uncertainty, information asymmetries, preference heterogeneity (and policy areas) could be of help in exploring the conditions under which agents might suffer from the principal problem.

Referring to the ENP, the analysis of the policy covers the time period between 2002 and 2009. As noted in chapter three (see 3.2.), it was decided to limit the scope of the thesis to 2009 due to the challenge to analyse enormous amount of data collected through process-tracing as well as because of the changes in the EU's institutional structures following the Lisbon Treaty. Thus, the recent changes in the PA relationship under the framework of the ENP were beyond the scope of this thesis. In this context, there are two interesting topics that are worth exploring following the introduction of the Lisbon Treaty.

First, the European Parliament was not considered an important actor in the present study while in the PA literature scholars also tend to avoid discussing the EP in PA terms (e.g. Pollack 1997; Rittberger, 2003). However, following the Lisbon Treaty¹³⁵ (in addition to playing a significant role in the negotiations on the establishment of the EEAS), the EP managed to expand its (formal and informal) powers and influence in the EU's external relations/foreign policy realm (Raube, 2011; Wisniewski 2011). As such, it might be of value to investigate, for example, the role the EP is playing (and will play in the future) regarding the negotiation of the new generation of ENP agreements.

¹³⁵ For example: External commercial policy (Art. 207 TFEU), development cooperation policy (Art. 209 TFEU), economic, financial and technical cooperation with third countries (Art. 212), humanitarian aid (Art. 214), conclusion of international agreements (Art. 218), relations with the HR (Art. 36 TFEU).

Second, another promising possibility is to examine the interaction between the Commission and the new agent in town, namely the EEAS. In the post-Lisbon era, the Commission and the EEAS, as agents, are working together on the ENP (e.g. see Joint Communications COM 200 final, 2011; COM 303, 2011). The EEAS is responsible for political issues while the Commission is in charge of the technical aspects related to ENP implementation and allocation of funds. Following this new reality, several interviewees provided interesting insights on the cooperation between the Commission and the EEAS under the framework of the ENP: the EEAS begins to develop its own identity and creates walls between the service and the Commission (Interview B, MS); the Commission is no longer the key actor but rather just another player sitting at the table (Interview D, MS); the EEAS, in comparison to the Presidency, is not one of us (the MS) and thus could not be regarded as a honest mediator (Interview C, MS); the situation is complicated as the EEAS provides the political direction but cannot implement because the Commission is responsible for implementation (Interview E, EU); and as the EEAS started to be involved in the ENP and worked with the Commission on the ENP reports, there is a smaller chance that we would be able to find signs of criticism like in previous Commission's Communications (Interview O, MS).

Against this background, there are various questions which one could explore. For example, to what extent does the EEAS act as a control mechanism applied by the member states? Is it easier for the member states to set the policy direction now that they have to control two agents rather than just one? How did the Commission react to the change in its responsibilities? And can we find patterns of competition between the agents or might there be a chance that they are able to shirk together against their principals?

7.3 Final remarks

Focusing on the European Neighbourhood Policy, the thesis aspired to examine the role the Commission has played in the emergence and development of the policy. Applying principal-agent as its theoretical framework and within-case process-tracing as its research strategy, I showed that the Commission, as an agent and informal agenda-setter, was able to have a strong influence on the formulation stage of the ENP but was not capable of maintaining its powers as the policy evolved. The findings confirmed, to a great extent, PA's theoretical assumptions on the level of influence of an informal agenda-setter as well as highlighted the under-researched area of the 'principal problem'.

As the study seeks to integrate a theoretical approach to the empirical investigation of a political phenomenon, I hope that the findings might prove to be of interest to both ENP students and the broader community of political scientists.

Annex

Interview list

Interview A, EU Official (Brussels: June 2012)

Interview B, EU Official (Brussels: June 2012)

Interview C, EU Official (Brussels: June 2012)

Interview D, EU Official (Brussels: June 2012)

Interview E, EU Official (Brussels: February 2013)

Interview F, EU Official (Brussels: February 2013)

Interview G, EU Official (Brussels: February 2013)

Interview H, EU Official (Brussels: February 2013)

Interview I, EU Official (Brussels: February 2013)

Interview J, EU Official (Brussels: February 2013)

Interview K, EU Official (Brussels: February 2013)

Interview L, EU Official (Brussels: February 2013)

Interview M, EU Official (Brussels: February 2013)

Interview N, EU Official (Brussels: February 2013)

Interview O, EU Official (Brussels: February 2013)

Interview P, EU Official (Brussels: February 2013)

Interview Q, EU Official (Brussels: February 2013)

Interview A, MS Official (Brussels: February 2013)

Interview B, MS Official (Brussels: June 2012)

Interview C, MS Official (Brussels: June 2012)

Interview D, MS Official (Brussels: June 2012)

Interview E, MS Official (Brussels: February 2013)

Interview F, MS Official (Brussels: June 2012)

Interview G, MS Official (Brussels: June 2012)

Interview H, MS Official (Brussels: February 2013)

Interview I, MS Official (Brussels: February 2013)

Interview J, MS Official (Brussels: June 2012)

Interview, EU Official (Brussels: February 2013) – background interview

Interview – ENP scholar (Brussels: June 2012) – background interview

Interview – ENP scholar (Brussels: June 2012) – background interview

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